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Epochs of American History

EDITED BY

ALBERT BUSHNELL HART, Ph.D., LL.D., Litt.D.

EXPANSION AND REFORM
1889-1926

JOHN SPENCER BASSETT

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STATEHOOD
Original states - Buff
Taken out of other states - Pink
Once regularly organized territory - Green
Admitted without previous territoral status - Blue
Independent nation admitted as state - Yellow
from Greenwich
MAINE MAR. 15, 1820
MASS.
NEW YORK
PENNSYLVANIA DEC. 12, 1787
OHIO FEB. 19, 1803
INDIANA DEC. 11, 1816
ILLINOIS DEC. 3, 1818
MISSOURI AUG. 10, 1821
KENTUCKY JUNE 1, 1792
TENNESSEE JUNE 1, 1796
ARKANSAS JUNE 15, 1836
MISSISSIPPI DEC. 10, 1817
ALABAMA DEC. 14, 1819
GEORGIA JAN. 2, 1788
SOUTH CAROLINA MAY 23, 1788
NORTH CAROLINA NOV. 21, 1789
VIRGINIA JUNE 26, 1788
MARYLAND APR. 28, 1788
DELAWARE DEC. 7, 1787
NEW JERSEY DEC. 18, 1787
CONN. JAN. 9, 1788
R.I. MAY 29, 1790
VT. MAR. 4, 1791
N.H. JUNE 21, 1788
LOUISIANA APR. 30, 1812
FLORIDA MAR. 10, 1845
BAHAMA ISLANDS
LAKE SUPERIOR
LAKE MICHIGAN
LAKE ERIE
ATLANTIC OCEAN
GULF OF MEXICO
Washington
Richmond
Baltimore
Philadelphia
Boston
Albany
Harrisburg
Columbus
Indianapolis
Springfield
Nashville
Knoxville
Raleigh
Charleston
Savannah
Atlanta
Montgomery
Tallahassee
New Orleans
Baton Rouge
Little Rock
Jefferson City
Frankfort
Lansing
Madison
St. Paul
Annapolis
Dover
Trenton
Hartford
Concord
Augusta
Montpelier
Providence
Newport
Portsmouth
Portland
Williamsburg
Jamestown
Yorktown
Hillsboro
Halifax
Tarboro
Hath
Newbern
Fayetteville
Wilmington
Smithfield
Murfreesboro
Huntsville
Tuscaloosa
Milledgeville
Augusta
Burrville
Columbia
Pensacola
St. Stephens
Natchez
Vincennes
Corydon
Zanesville
Chillicothe
Cincinnati
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Wheeling
Lancaster
York
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Epochs of American History

EXPANSION AND REFORM

1889–1926

BY
JOHN SPENCER BASSETT, PH.D.
PROFESSOR OF HISTORY AT SMITH COLLEGE

1869-

WITH FIVE MAPS

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MADE IN THE UNITED STATES OF AMERICA

EDITOR'S PREFACE

When in 1885 it was proposed to a young instructor in Harvard College to edit a series of volumes to be called *Epochs of American History* neither the publisher nor the editor realized that it would enjoy a circulation into the hundreds of thousands and hold the market for more than forty years. This success is due to the effort to make clear the real character and progress of American history. All the writers from time to time have revised their volumes to accord with later materials and points of view. Reuben G. Thwaites, author of the first volume, is no longer among us; therefore, it has become necessary to prepare a new volume under the old title of "The Colonies" from the pen of Professor M. W. Jernegan of the University of Chicago. The second volume, by the editor, has been twice thoroughly revised and now appears with some changes of emphasis and use of recent material. Woodrow Wilson's "Division and Reunion" is considered by many critics as the best of his works, and is now republished just as it left his pen in 1892, a classic on American history.

Since the series first appeared, the United States has added nearly forty years to its national history; and the time seems opportune for adding a fourth volume which will bring the series down to near the present time. For this service Professor Bassett has special qualifications through his knowledge of the various sections of the Union, his experience as an historical writer, his accuracy of research, and his independence of statement. As set forth in his own preface, he has found it necessary to lay stress upon the effort of the American people

to correct and improve the political and governmental machinery through which they carry out their will. Nevertheless, the book is not a narrative of administrations and controversies. It abounds in lively appreciations of the public men through whom the American government has been carried on. Professor Bassett recognizes that alongside the "government of laws" there must be a government by the men who have the authority to make and to apply the laws.

This book divides itself naturally into eras. The first is characterized by Grover Cleveland and William McKinley, both men of power. The second is that of the great political struggle in which Theodore Roosevelt was the protagonist. The third describes the World War and its conduct by the administration of Woodrow Wilson, avoiding military and naval detail and stressing national feeling. The book aims to set forth the impression of the European war upon the United States; our share in the actual struggle, the American relation to the establishment of peace, and the reflection of new international forces upon the government and people of the United States. The book is non-partisan, non-sectional, non-military, and non-congressional; it recognizes the significance of tendencies, political, economic and social, and the tidal force of events. At the same time it reveals the great men of the time as the exponents of their fellow Americans. To the editor's mind Professor Bassett's book is a sound, just, graphic, impartial and accurate survey of the most recent forty years of the American Republic.

ALBERT BUSHNELL HART

AUTHOR'S PREFACE

It has happened in recent years that the world has come to feel a weariness of reforms and reformers. Exhausted by the emotions produced by the World War, the mind craves rest. He who tries at present to arouse it from its quietude will perhaps lose his labor. So it is for the leader of ideas. But for the historian the case is different. His duty is to describe the things that have occurred, and he can do nothing less.

It happens that the period in United States history to which this volume relates is full of reform. Cleveland was a reformer and was always hammering away at what the men of the time called "tariff reform." Roosevelt, who followed soon after him, was even more concerned with the adoption of reforms. His whole aim was to eliminate bad habits that had fastened themselves on party life and to reduce the power of "big business" over government. Wilson in his day was keenly concerned in carrying forward the policies held forth by Roosevelt and in extending their bounds. The history of the country from 1889 to 1914 can not be written without taking notice of these facts; and on that account they bulk large in this book. The things that happened were not entirely due to the wills of the leaders, but in no small degree they expressed the popular desire for reform.

Along with this feeling there existed a strong interest in the expansion of the influence of the United States in other countries. It was manifested in the war with Spain, the government of dependencies, the revival and extension of the Monroe Doctrine, the interference of

our government to preserve an "open door" in the Orient, and the opposition to Germany's threatened conquest of Western Europe, with the consequent feeling that we must or must not take part in guiding *post-bellum* events. Under the general title of "Expansion" all these matters have been treated. It was also necessary to take notice of the conservative reaction that has followed the war; but at the present time it is not possible to speak definitely about its bounds and its significance.

In writing this story of thirty-six years I have tried to keep before the reader the continuing struggle of a free people to govern themselves in the best attainable way. The operations of economic and social laws and the marked influences of powerful leaders have been constantly in my mind. It is in the union of these impulses that history is made. To ignore either is to fail. To the reader, and especially to the young reader, who may read my book, I make my plea for a sincere state of mind to understand the value of the national experience here set forth. It is in seeing how we walked yesterday we come to know how we are walking today.

JOHN SPENCER BASSETT

August 2, 1926

SUGGESTIONS FOR TEACHERS AND READERS

The writing of general history usually falls to writers living a considerable time after the occurrences they describe. The lapse of years is necessary to give perspective, to bring out the evidence, and to enable the writer to form mature and safe judgments about the men and life he characterizes. For the three decades treated in this book the author has had to rely upon many specific works, and it is to such works that he must refer the reader or student who wishes to go deeper into the subject. Biographies, reminiscences, monographs on particular phases of history, books about specific political, social, and economic matters, and the few attempts made at generalization, more or less brief, afford abundant opportunity to him who wishes to look keenly into the field.

That students should read in these works in connection with the outline text goes without saying. The examination of the same materials in different books gives one the basis of comparison, which fixes information in the mind and stimulates the development of good judgment. For this purpose the bibliographical notes at the beginning of the chapters in this book offer ample suggestions. For the use of those who feel that they must limit themselves to a small number of books the following list is suggested, with the names of the publishers and the list prices. With the exception of the Yale *Chronicles,* not sold separately, the collection can be had, with the discounts subtracted, for about fifty dollars.

1. Randolph Greenfield Adams, *History of the Foreign Policy of the United States.* (New York, The Macmillan Co., 1924.) [$3.50] — A good summary.

2. *The American Year Book, Years 1910–1919* (revived, 1925). (New York, D. Appleton and Co., 1911–1920.) — Contains much information about historical matters and about the affairs that make up our historical information. [$3.50–$5]

3. John Spencer Bassett, *Our War with Germany.* (New York, Alfred Knopf, 1920.) — Deals with events leading to the war, the government in war time, as well as military affairs. [$4.00]

4. Davis Rich Dewey, *National Problems, 1885–1897. American Nation,* Vol. XXIV. (New York, Harper and Bros., 1907.) — Treats economic matters with relation to politics. [$2.00]

5. Carl Russell Fish, *American Diplomacy.* [*American Historical Series.*] (4th ed., New York, Henry Holt and Co., 1923.) — Covers the national period with conciseness. [$3.00]

6. Albert Bushnell Hart, *American History Told by Contemporaries.* (5 vols., New York, Macmillan Co., 1897–1926.) — Vol. IV deals in part with the years covered by this volume. Volume V (1900–1920) in preparation. [Volumes sold separately, $3.75 each.]

7. Allen Johnson, Editor, *Chronicles of America.* (50 vols., New Haven, Yale University Press, 1918–1921.) — Volumes XXXIX–L cover the period and events treated in this book. Brief but clearly expressed. [Set at reduced price, ordinary edition $175 for set, volumes not sold separately.]

8. John Holladay Latané, *America as a World Power, 1897–1907. American Nation,* Vol. XXV. (New York, Harper and Bros., 1907.) — Deals with the war

with Spain and the events that grew out of it. [$2.25]

9. Frederic Austin Ogg, *National Progress, 1907–1917. American Nation,* Vol. XXVII. (New York, Harper and Bros., 1918.) — Contains much information about social and economic history in recent years. [$2.25]

10. Harry Thurston Peck, *Twenty Years of the Republic.* (New York, Dodd, Mead and Co., 1905.) — Very interesting and reliable as to the main facts, with a vivid appreciation of personalities. [$2.50]

11. Kirk Harold Porter, *National Party Platforms.* (New York. The Macmillan Co., 1924.) — Useful in the study of political affairs. [$3.75]

13. Edward Stanwood, *History of the Presidency.* (Boston, Houghton, Mifflin and Co., 1916.) — Presents the history of the presidential elections in order. Earlier editions have not the material on the late elections. [$4.50]

14. Woodrow Wilson, *History of the American People.* (5 vols., New York, Harper and Bros., 1902.) — After the author became a figure in national politics the publishers brought out a ten-volume edition with documents and other such material. [Regular edition $17.50]

School Reference Library

The following works, with those mentioned above, make a convenient reference library for a small school. They are books of a general nature and in general they are readable. The cost, with the 14 numbers described above, will be about one hundred dollars.

15. Joseph Bucklin Bishop, *Theodore Roosevelt and his Time.* (2 vols., New York, Charles Scribner's Sons, 1920.) — The authoritative life of Roosevelt with many quotations from his letters. [$10.00]

16. William Edward Dodd, *Woodrow Wilson and his Work.* (Garden City, Long Island, Doubleday, Page and Co., 1924.) — A good biography by an ardent admirer. [$2.50]

17. Charles Burke Elliott, *The Philippines to the End of Commission Government.* (Indianapolis, Bobbs-Merrill Co., 1917.) [$9.00]

18. William Dudley Foulke, *Fighting the Spoilsmen, Reminiscences of the Civil Service Movement.* (New York, G. P. Putnam's Sons, 1919.) — A readable account of the struggle to execute civil service reform with interesting views of current history. [$2.00]

19. Robert (McNutt) McElroy, *Grover Cleveland, the Man and the Statesman.* (2 vols., New York, Harper and Bros., 1923.) — The best account of Cleveland's important career. [$10.00]

20. Arthur Wilson Page, *Our 101 Days' Fighting.* (Garden City, Doubleday, Page and Co., 1920.) — A succinct account of the military operations of United States troops in France, well supplied with maps. [$3.50]

21. General John Joseph Pershing, *Final Report of, Commander-in-Chief of American Expeditionary Forces.* (Washington, Government Printing Office, 1919.) — The best brief story of the military achievements of our army in France.

22. James Ford Rhodes, *History of the United States from Hayes to McKinley, 1877–1896.* (New York, The Macmillan Co., 1919.) — Does not include the presidential election of 1896. Some of the chapters present good studies of special topics. [$2.75]

23. James Ford Rhodes, *The McKinley and Roosevelt Administrations, 1897–1909.* (New York, The Macmillan Company, 1922.) — Less solid than the

author's chief work but pleasant reading and charged with atmosphere. [$4.00]

24. ARTHUR MEIER SCHLESINGER, *New Viewpoints in American History*. (New York, The Macmillan Co., 1922.) — The last two chapters deal with the altered social conditions of recent years. [$2.40]

25. GRAHAM HENRY STUART, *Latin America and the United States*. (New York, The Century Co., 1922.) — Probably the most satisfactory single volume on the subject. [$3.75]

26. FRANK WILSON TAUSSIG, *Tariff History of the United States*. (Revised Ed., 1923, New York, G. P. Putnam's Sons.) — The most useful book on our tariff history of the anti-protection school. [$2.50]

27. JAMES ALBERT WOODBURN, *Political Parties and Party Problems in the United States*. (Revised ed., G. P. Putnam's Sons, New York, 1914.) — Traces development of the important parties. [$3.50]

Larger Reference Library

Most of the following books deal with the important special topics that belong to the period under consideration. Some of them are out of print but can be obtained by careful search in the market of second-hand books. It is believed that all of them may be considered the best on their respective subjects. The "References" section prefixed to each chapter in this volume will give the reader or teacher a wide choice of additional works. The cost of the list of books in addition to numbers 15–27 will be about one hundred and sixty-five dollars.

28. RAY STANNARD BAKER, *Woodrow Wilson and the World Settlement*. (3 vols., Garden City, Doubleday, Page and Co., 1922.) — The fullest and most authentic statement made about the work of Wilson in

the Peace Conference on the side of his supporters. [$20.00]

29. Charles Austin Beard, *Contemporary American History, 1877–1913.* (New ed., New York, The Macmillan Co., 1921.) — In sympathy with the critics of conservative politics and concerned with social and economic influences in history. [$1.50]

30. Mary R. Beard, *Short History of the American Labor Movement.* (New York, Doran, 1920.) — A brief book with a good style. [$1.50]

31. French Ensor Chadwick, *Relations of the United States and Spain.* (3 vols., New York, Charles Scribner's Sons, 1909, 1911.) — Volume I has the sub-title *Diplomacy* [$4.00], and Volumes II and III have the sub-title, *The Spanish War.* [$7.00]

32. Herbert David Croly, *Marcus Alonzo Hanna.* (New York, The Macmillan Co., 1912.) — A competent account of the career of the most effective political manager of his day. [$2.50]

33. Tyler Dennett, *Roosevelt and the Russo-Japanese War.* (Garden City, 1925.) — Detailed examination of our policy in the Orient, 1902–1905, with special reference to Roosevelt's attitude toward the threatened partition of China. [$3.50]

34. S. J. Duncan-Clark, *The Progressive Movement; Its Principles and Program.* (Boston, Small, Maynard and Co., 1913.) — With an Introduction by Theodore Roosevelt it was considered more or less an authoritative statement for the Progressive Party. [75 cents]

35. William Henry Glasson, *Federal Military Pensions in the United States.* (New York, Oxford University Press, 1918.) — A careful treatment of the subject. [$2.50]

36. Francis Vinton Greene, *The Present Military*

Situation in the United States. (New York, Charles Scribner's Sons, 1915.) — It is a plain plea for preparedness by a sensible army man. [75 cents]

37. Lynn Haines, *Your Congress: An Interpretation of the Influences that Dominate Lawmaking in America.* (Washington, The National Voters' League, 1915.) — It explains the spirit that gave life to the progressive movement. [60 cents]

38. Frederick Emory Haynes, *Third Party Movements since the Civil War.* (Iowa City, Iowa, State Historical Society of Iowa, 1916.) — Has special reference to the movement in Iowa but there is much upon the general phases of the movement. [$2.50]

39. Albert Bushnell Hart, *The Monroe Doctrine, an Interpretation.* (Boston, Little, Brown and Co., 1916.) — Contains the history of the doctrine and observations upon its nature. [$1.75]

40. Mark Anthony De Wolfe Howe, *George von Lengerke Meyer: His Life and Public Services.* (New York, Dodd, Mead and Co., 1919.) — Meyer was an able man and this life, containing much from his journal, is an important source of information. [$5.00]

41. Willis Fletcher Johnson, *Four Centuries of the Panama Canal.* (New York, Henry Holt and Co., 1907.) — A candid account by one who had opportunity to know the facts. [$3.00]

42. Maximo M. Kalaw, *The Case for the Filipinos.* (New York, The Century Co., 1916.) — A fair statement of the point of view of the natives. [$1.50]

43. Kenneth Scott Latourette, *The Development of China.* (Boston, Houghton and Mifflin, 1917.) — Contains an account of American-Chinese relations. [$1.75]

44. Theodore Roosevelt, *Autobiography.* (New York, The Macmillan Co., 1914.) — The author's own

account of his actions is of much importance, although it is not always sufficient for an adequate understanding of the point at issue. [$2.50]

45. William Roscoe Thayer, *Life and Letters of John Hay.* (2 vols., Boston, Houghton and Mifflin, 1915.) — Not critical but vivid and pleasant account of the life of a charming person. [$2.50]

46. Payson Jackson Treat, *Japan and the United States, 1853–1921.* (Boston, Houghton and Mifflin, 1921.) — Treats the subject in a judicial way. [$2.00]

47. Charles Richard Van Hise, *Conservation of Natural Resources in the United States.* (New York, The Macmillan Co., 1910.) — The best work on the subject. [$2.00]

48. William Allen White, *Wilson, the Man. His Time, and His Task* (Boston, Houghton and Mifflin, 1924.) — Presents the chief phases of Wilson's life in a vivid and generally sympathetic way. [$5.00]

CONTENTS

CHAPTER I

POLITICAL REACTION UNDER HARRISON (1889–1893)

PAGES

1. References, p. 1. — 2. The spirit of reform, p. 2. — 3. Harrison takes office, p. 4. — 4. The McKinley tariff (1890), p. 8. — 5. The Sherman Silver Purchase Act (1890), p. 11. — 6. The Sherman Anti-trust Law (1890), p. 14. — 7. The Pension Act of 1890, p. 18. — 8. Federal elections and negro suffrage, p. 22. — 9. Foreign affairs under Harrison, p. 26. — 10. The election of 1892, p. 33. 1–36

CHAPTER II

CONFUSION IN CLEVELAND'S SECOND ADMINISTRATION (1893–1897)

11. References, p. 37. — 12. Significance of the administration, p. 38. — 13. Repeal of the Sherman Silver Law of 1890, p. 40. — 14. The Wilson-Gorman tariff, p. 42. — 15. Selling bonds to protect the gold supply, p. 44. — 16. The Chicago strikes in 1894, p. 48. — 17. Foreign affairs under Cleveland, p. 51. — 18. Free silver and the election of 1896, p. 57. 37–62

CHAPTER III

MCKINLEY AND THE WAR WITH SPAIN (1897–1901)

19. References, p. 63. — 20. The character of McKinley's administration (1897–1901), p. 64. — 21. The gold standard and the Dingley tariff, p. 67. — 22. The origin of the war with Spain, p. 70. — 23. Dewey's campaign at Manila, p. 77. — 24. The Santiago Campaign, p. 79. — 25. The treaty of peace, p. 83. — 26. The Philippine War, p. 86. — 27. The election of 1900, p. 88. 63–92

CHAPTER IV

ROOSEVELT'S EARLY POLICIES (1901–1905)

28. References, p. 93. — 29. The significance of Theodore Roosevelt, p. 94. — 30. Roosevelt as party leader, p. 97. — 31. Development of the dependencies, p. 101. — 32. The Panama Canal, p. 107. — 33. Roosevelt and the Monroe Doctrine, p. 115. — 34. The election of 1904, p. 119. . . . 93–120

CHAPTER V

ROOSEVELT WITH A FREE HAND (1905–1909)

35. References, p. 121. — 36. A four years' struggle, p. 123. — 37. Roosevelt and the trusts, p. 125. — 38. Roosevelt and the railroads, p. 131. — 39. Safeguarding food, p. 134. — 40. Roosevelt and the labor problem, p. 135. — 41. Roosevelt's conservation policy, p. 138. — 42. Far Eastern diplomacy in Roosevelt's time, p. 145. — 43. The perplexing problem of Japanese immigration, p. 148. — 44. Roosevelt's Caribbean policy, p. 151.

45. Roosevelt's last defiance of his enemies, p. 157. 121–164

CHAPTER VI

TAFT AND THE RISING INSURGENCY (1909–1913)

46. References, p. 165. — 47. Taft and the Roosevelt policies, p. 166. — 48. The Payne-Aldrich tariff (1909), p. 168. — 49. The Ballinger-Pinchot controversy (1909–1911), p. 170. — 50. Growth of insurgency, p. 173. — 51. The tariff controversy again (1909–1911), p. 177. — 52. The presidential election of 1912, p. 178. — 53. The end of Taft's administration, p. 184. 165–187

CHAPTER VII

ROOSEVELT'S REFORMS CARRIED FORWARD BY WILSON (1913–1917)

54. References, p. 188. — 55. Wilson's domestic policy, p. 189. — 56. Underwood tariff, 1913, p. 194. — 57. The Federal Reserve Bank, p. 198. 58. Laws to restrain trusts, p. 200. — 59. Wilson's dealings with Mexico (1911–1917), p. 203. 188–210

CHAPTER VIII

THE PERIOD OF NEUTRALITY (1914–1917)

60. References, p. 211. — 61. Preserving neutrality, p. 212. — 62. War or peace? p. 215. — 63. Great Britain and Trade Restrictions, p. 216. — 64. German defiance of the rights of neutrals, p. 219. — 65. Wilson's effort to curb the submarine, p. 223. — 66. Preparing for the national defence (1914–1917), p. 228. — 67. War declared against

Germany, p. 231. — 68. Organizing for war, (1917), p. 234. — 69. Investigating the conduct of the war, p. 242. 211–247

CHAPTER IX

THE UNITED STATES IN THE WORLD WAR (1917–1919)

70. References, p. 248. — 71. The American Expeditionary Forces, p. 249. — 72. The United States sector, p. 252. — 73. Critical weeks in the spring of 1918, p. 254. — 74. The Yankees to the rescue, p. 257. — 75. The capture of St. Mihiel, p. 263. — 76. The Meuse-Argonne campaign, p. 265. — 77. The Navy in the war, p. 271. . . 248–274

CHAPTER X

PEACE AND ITS PROBLEMS (1919–1925)

78. References, p. 275. — 79. The armistice, p. 276. — 80. The Peace Conference at Versailles, p. 280. — 81. The League fight at home, p. 289. — 82. Foreign affairs under Harding (1921–1923), p. 294. — 83. Coolidge as President, p. 302. . . 275–309

CHAPTER XI

INTERNAL GROWTH IN PEACE AND WAR (1889–1925)

84. References, p. 310. — 85. Changing political ideals, p. 311. — 86. Parties of economic discontent, p. 314. — 87. The progress of democracy, p. 318. — 88. The growth of the labor movement, p. 323. — 89. Educational and religious growth, p. 329. — 90. Back to the pursuits of peace, p. 333. 310–342

INDEX 343

LIST OF MAPS

1. Statehood . . . . . *Frontispiece*
2. The United States, March 4, 1897 . . . *End of volume*
3. The United States on the Rim of the Caribbean . . . . . *End of volume*
4. The United States in the World War *End of volume*
5. The United States and Adherent Territory, 1926 . . . . . *End of volume*

EXPANSION AND REFORM

1889–1926

CHAPTER I

POLITICAL REACTION UNDER HARRISON

(1889–1893)

1. References

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2. The Spirit of Reform

Three decades of reform

The three decades of our political history between 1884 and 1914 were notable for a continuous struggle for political and economic reform. The movement was but a continuation of an old impulse manifest in the opposition to slavery and, when that was accomplished, apparent in the demand for civil service reform. In its later phases it worked for the adoption of the secret ballot, the reduction of the protective tariff, the destruction or regulation of trusts, the control of railroads in the interest of the general public, and the diminution of the power of party bosses. On the political side the reformers were moving toward democracy: on the economic side they looked toward the extension of the control of industry by the federal government.

The reformers played a large part in our history. They were the deciding factor in the election of Cleveland in 1884. When he could not accomplish all they expected of him their ardor cooled and conservatism triumphed in the election of Harrison in 1888. After four years the reformers turned back to Cleveland and he was again elected in 1892. Then came the free silver wave, which was considered by its supporters a demand for reform. It discredited the Democratic Party and conservatism won in 1896. McKinley, who led the conservatives, was tactful and had the prestige of a successful war, so that he seemed to have a long era of power before him. But the situation changed with his death in 1901. Roosevelt became President and opened another era of reform which went further than Cleveland had ever thought of going. What he did Taft did not undo, and much that the two men left unfinished was completed by Wilson in the seventeen months of his Presidency that passed before the World War mastered the thoughts of the nations of the earth. From that time the problems of neutrality, warfare, and recovery from war have dominated our political thought; but it is probable that the reform impulse is not dead.

Six Presidents and reform

The reformers were always a minority of the people, but they were active and convinced and their influence was out of proportion to their numbers. To the conservatives they seemed impractical theorists. They were frequently unreasonable but they were generally impelled by the highest purposes. By balancing between the two important parties they were able to turn the tide in several elections, and in the first decade of the twentieth century their representative, Roosevelt, made the policy of the government. As a class the conservatives were men of high personal

A significant minority

character. They were not troubled about political conditions because they considered the existing situation as satisfactory as could be expected in a fallible world. They resented the attacks of the reformers on party leaders; for party loyalty is ever a high virtue in the eyes of the conservatives.

A changing group

The reform movement was strong in New England and the Middle States, where the old American stock was most influential. Many of its earlier leaders were of Puritan descent, as George William Curtis, President Eliot, of Harvard, and a large number of clergymen, teachers, and philanthropists. Nevertheless it drew many leaders from other sections of the public, as Carl Schurz, who was a German by birth, and Simon Stern, who was a Jewish lawyer in New York. Roosevelt, who became the embodiment of the movement in its later stages, was of Dutch and Southern descent, and perhaps the old Puritan stock as a whole was not in sympathy with his cause. Wilson, who carried on the work after 1912, was of Southern stock; and the backbone of his support was Southern and Western. It was Roosevelt who made the reform movement a nation-wide affair. In his day it was more than an impulse for reform; it was also an expression of deep class feeling and sectional distrust.

3. Harrison Takes Office

President Harrison

President Harrison was a good lawyer and an upright man. He was loyal to party, not concerned about reform, and a conservative by instinct. When elected he did not expect to be the leader of his party nor to fix the policy of Congress. He accepted the doctrine that the executive and legislature should not interfere with each other's activities. In the White House he lived a quiet life, practising the

private virtues, attending to his own tasks, and leaving the heads of the cabinets wide discretion in discharging their duties. His aloofness kept his acquaintances at a distance; and since few newspaper men got close enough to understand what kind of man he was, they often held him up to ridicule. The cartoonists portrayed him as a precocious looking little man swallowed up under a "Grandfather's Hat," an allusion to his grandfather, William Henry Harrison, elected President in 1840. His private life was discussed with a freedom that violated the dignity of the high office he held. He made the mistake of appointing a number of his kin and relatives to office, and consequently he was denounced for "nepotism." Misunderstood and apparently indifferent to the opinion of the world he shouldered odium he did not deserve, accepted defeat in 1892 with resignation, and took a lower place in history than his merit warranted. During his one term his party controlled both Houses. He had no conflicts, no victories, no defeats.

New party leaders

The first term of Cleveland, 1885–1889, made a sharp break in the history of the Republican Party, which had lived for years on the prestige acquired in the Civil War and Reconstruction. The four years spent out of office changed its personnel and spirit. Old leaders gave place to new. John Sherman and James G. Blaine were the only very prominent men of the old régime who remained in office in 1889. The new men were direct in their methods and went straight to their goals. Two of them stood out with special distinctness, Thomas B. Reed, of Maine, and William McKinley, Jr., of Ohio. Both were members of the House of Representatives and both wished to be Speaker. The prize went to Reed, who promptly appointed McKinley chairman of the Ways and Means

Committee. Reed ruled the house with a strong hand and McKinley prepared a tariff bill which gave color to Harrison's administration.

This change was reflected in the make-up of the cabinet. The only well known man in it was James G. Blaine, Secretary of State. It was to him that Harrison chiefly owed his nomination and the appointment was considered an expression of gratitude. Blaine, however, was old and physically and mentally impaired, and he was not suited for the place assigned to him. The Secretaryship of the Treasury was a difficult problem. Interest in free silver was reviving in the West and Harrison was urged from that quarter to appoint a man in sympathy with the Western feeling. After some discussion the place was given to William Windom, of Minnesota. He had begun life with great sympathy for free silver, but for a few years before his appointment he had been in business in New York. It was believed, therefore, that he understood the points of view of both sections and could harmonize their demands. The appointment of John Wanamaker, a great department store magnate of Philadelphia, as Postmaster-General caused much comment, partly because he had no political experience and partly on account of the large campaign contribution he was reported to have made to the Republicans in 1888.

Cabinet appointments

The contest in that year marks the appearance of great campaign funds in our Presidential elections. The Pendleton Civil Service Act of 1883 made it illegal to levy on the salaries of office-holders, and so party managers were forced to rely on contributions from loyal party men. It happened that the tariff was the leading issue at this time. Therefore, it was natural for the party managers to turn for funds to the protected manufacturers who would be bene-

Large campaign funds

fited by party success. Furthermore, it followed that donors of these funds wished to have influence over the party decisions. In the Republican campaign of 1888 Marcus A. Hanna, of Cleveland, proved very successful in raising funds from the business men of Ohio. As the party became more and more committed to conducting a "business man's" campaign, Hanna's influence was extended. To many people Hanna was the mere synonym for materialism. To those who knew him well he was a whole-souled, enthusiastic, sincere, and straightforward man, but he used direct methods in reaching his ends. He was a conservative of the better type. His rise in power meant that politics were changing from an ideal basis to the basis of material expediency. More than before the political conflict was waged for economic ends and less for what the men who made the appeals were in the habit of calling political principles.

A business man in politics

The new spirit showed itself soon after Congress assembled in December, 1889. The Republicans controlled each House; but their normal majority was small, and the Democrats were able to make effective obstruction. In the House it had become the custom to consider a member absent if he did not answer on roll-call. When they sought to block legislation the minority would not reply when called, and then would raise the point of "no quorum." By repeating this process they consumed time and obstructed legislation, which was their object. Reed, the new Speaker, decided to break up the practice. He ordered the clerk to count as present all visible members, whether they had voted or not. This action raised a storm of protest, and he was dubbed a "czar." But his course was approved by public opinion, and from

"Czar Reed"

that day it has been followed by any party in power. By tactics like these Reed was able to defeat a filibuster and to enable his party to carry through its program.

4. The McKinley Tariff (1890)

In his first term Cleveland forced tariff reduction to the front. The issue was important because of the steadily accumulating surplus revenue, averaging $100,000,000 a year from 1880 to 1891. For a time this surplus was used to pay off the national debt, which was done by buying bonds and cancelling them, thus putting the surplus back into circulation. But the national banks protested against this course, because it raised the price of bonds required as a deposit to secure their note circulation. To avoid this difficulty and to prevent the creation of the surplus Cleveland urged a reduction of the tariff: that is, he would reduce the surplus by leaving it in the pockets of the people before it reached the government. This plan was opposed by the protectionists. They believed the country would support them and met the Democrats with an aggressive defense. They not only opposed the reduction of the tariff but declared that it ought to be higher. They took their victory in 1888 as popular approval of this declaration and entered office determined to pass an act with higher rates.

The surplus revenue

Framing the tariff bill fell to McKinley and the Ways and Means Committee. They had to do two apparently opposite things: raise the taxes, and at the same time lower the revenues. To raise the rates was not difficult, since the manufacturers willingly pointed out to the committee how much increase should be made. Ingenious ways were found for lowering the surplus. In some cases

The McKinley tariff

the rates were placed so high that the articles concerned were not imported as freely as before, which reduced the receipts by that much. Another means was to place non-protected articles on the free list. The most notable article in this list was raw sugar. A comparatively small amount of our sugar was raised in Louisiana, and to save these producers from loss a bounty of two cents a pound was allowed to domestic producers of sugar, including the makers of maple sugar.

Another striking feature of this act was placing high duties on tin-plate, which at the time was not produced in the country. It was defended on the ground that it would create a useful industry. One impulse for creating the duty was to enlarge the market for the iron sheets on which tin is plated.

Tin plate

The McKinley Act was an avowed protectionist measure, for the benefit of the manufacturers. As such it aroused the opposition at first of the farmers, who believed that it burdened them for the benefit of other people. To meet this argument duties were laid on the import of agricultural products. Before this time duties on specific farm products, as wool, had been placed in tariff bills to obtain the support of farmers; but this act was the first which included a general system of such duties. The concession was worth little to the farmers; for such vast quantities of farm products were produced in the United States that little was imported, while prices at home and abroad were fixed through competition in the markets of the world.

A bid for the farmers

While the bill was before Congress the first Pan-American Congress was in session at Washington. It had been called largely through the efforts of Secre-

tary Blaine, who was a strong advocate of Pan-Americanism. He seized on the occasion to try to promote Pan-American trade by means of reciprocity in tariffs. McKinley opposed the idea and said: "We have been beaten in every agreement of reciprocity we have ever had with any nation in the world." He kept reciprocity out of the bill while it was in the House, but Blaine got the Senate to insert it; and when the law passed it provided that if certain countries did not make reductions on some of our exports the President might impose discriminating duties on the sugar, molasses, coffee, tea, and hides sent by them into our ports. With this club in his hands Blaine negotiated reciprocity treaties with several Latin American states. It was not possible to see how this policy would work out; for the reciprocity treaties were swept aside when the tariff was revised under Cleveland in 1894.

Blaine and reciprocity

The McKinley Bill encountered stern opposition in the Senate, some of it from leading Republicans. The old line Republicans did not readily accept extreme protection. Blaine told McKinley himself that such a policy would "protect the Republican Party into a speedy retirement." It took so long to adjust differences and pass the bill that the President did not sign it until October 1, 1890, on the eve of the congressional elections. Public opinion was much excited, prices rose as a result of the passage of the act, and there was a general feeling of disappointment in the country. The result of the election was the overwhelming triumph of the Democrats. The Republican majority of 10 became a Democratic majority of 138, and McKinley himself was defeated, probably through a gerrymander of his district by a recent Democratic legislature. The Republicans re-

Influence on the election of 1890

tained the Senate but their majority there shrank from fourteen to six.

5. The Sherman Silver Purchase Act (1890)

The Bland-Allison Act of 1878 directed the coinage of from two to four millions of silver dollars monthly; but the Secretaries of the Treasury used the discretion allowed them and never coined more than the minimum. As the amount coined increased it became ever harder to keep it in circulation. It was paid out whenever someone was found who would take it but it came back promptly. Several bills to stop silver coinage appeared in Congress, but none passed.

The Bland-Allison Act

The friends of silver were devoted to it. They suspected the Treasury officials of deception and declared them insincere in their efforts to keep the white metal in circulation. If the government, they said, paid its obligations in gold and silver, instead of paying in gold when demanded, the people would take each metal readily. But experienced financiers knew that the public hoards gold, if the government refuses to pay it out on demand, with the result that gold goes to a premium. Such a course would have plunged the country into the confusion which existed after the Civil War and up to the resumption of specie payment in 1879. To avoid this situation the government felt it necessary to make any reasonable sacrifice in order to keep on a gold basis.

Gold and silver

Undoubtedly silver was in a bad way. Such large quantities were being mined that the price fell steadily. In 1872 the bullion in a silver dollar was worth 102 cents in gold: in 1889 it had fallen to 72.22 cents. The leading countries in Europe had gone over to the gold basis, and quantities of their

Free silver controversy

silver coins were thrown on the market as bullion. This drop in the price caused serious loss to the owners of silver mines, who accordingly became active supporters of free coinage. It was also significant that the Western and Southern farmers had fallen into debt through several years of poor crops. They believed prices would advance if silver were coined free and without limit. The business men in the cities took the other side, and the ensuing controversy was joined between the rich and the poor, the East and the West. Much feeling was created, and each side vied with the other in denunciations.

"Something for silver"

Cleveland was opposed to free coinage and more than once urged the repeal of the law of 1878. In the campaign of 1888 his opponents used this fact against him, and in free silver sections they declared themselves more friendly to silver than Cleveland. Now that they were in office they were called on to "do something for silver." Harrison's first annual message (1889), anxiously expected by the silver men, contained nothing positive on the subject. He merely referred the matter to Congress and sent with it a report from the Secretary of the Treasury, William Windom, which the President said he had not read.

Windom's plan

Windom wished the United States to receive at the market price, but not to coin, all the silver bullion offered, however much and wherever it came from, and to pay for it in Treasury Notes. When offered for redemption these notes were to be received at the option of the Treasury in gold or in such quantities of silver bullion as at the time of redemption were worth the face value of the notes. If silver fell in this interval, which Windom did not think possible, the government would have to hand back more bullion than it had received for the same amount

of notes. The scheme was designed to make a market for silver. Its author thought it would mean the issue of not less than $37,000,000 of these notes annually, which was a larger inflation by half than resulted from the law of 1878.

Windom's plan appeared in the House as a bill. Bland, leading free silver champion, moved as a substitute the free and unlimited coinage of silver. He was defeated by a vote of 140 to 116, and the bill with important amendments passed the House. In the Senate it was summarily replaced by an out-and-out free silver bill which passed by a majority of seventeen. The bill then went to a conference committee, after the House had refused the Senate substitute. At this time the tariff was before the Senate, and a group of silver Republicans let it be known that they would kill the McKinley bill if free coinage was not passed. They had the power, by acting with the Democrats, to carry out the threat. They thought it as proper for Congress to legislate for the benefit of the farmers and silver miners as for manufacturers. Their threat alarmed the tariff men and a compromise was agreed upon, by which the tariff bill passed and a silver purchase measure was enacted. John Sherman, Senator from Ohio, took a prominent part in passing this law and it became known as "The Sherman Silver Purchase Act." It provided for the monthly purchase of 4,500,000 ounces of silver at the market price, to be paid for by issuing Treasury Notes, legal tender and redeemable as the government chose in silver or gold. This act meant the inflation of the currency by about $37,000,000 a year, and more than that if bullion rose in price.

Sherman silver law, 1890

Result of a compromise

The situation of the Republicans had, in fact, been critical. If the Eastern men had not compromised,

the silver Republicans were pledged to join the Democrats and pass a free and unlimited coinage law; and if that were vetoed the party would be hopelessly divided. To avoid this situation the Act of 1890 was passed. The extreme silver men were deeply disappointed. Free coinage, they said, was betrayed in the house of its friends, and they began to demand leaders who were truer to silver than to party.

A party split averted

6. The Sherman Anti-Trust Law (1890)

Half a century ago competition was relied upon to give ample protection against overcharging. For this purpose two parallel railroads were sometimes built where there was business for but one. Manufacturers, merchants, and even professional men competed for patronage. In this system was much duplicating of plant, overmanning of industry, and waste of effort. As early as 1880 some of the business men began to combine their plants. By this means they saved greatly in costs of operation and had better position in the buying and selling markets. Thus sprang up the trusts. They were unpopular from the first, for they were monopolies. Their smaller rivals, whom they pressed to the wall or forced into involuntary sales, raised loud complaints and won public sympathy. Thus the question went into politics, and legislatures began to discuss the annulment of the charters of the combining corporations.

The first successful trust was the Standard Oil Company, which began at Cleveland as an Ohio corporation, under the management of John D. Rockefeller, noted for business ability. He induced several other oil refiners in Ohio, Pennsylvania, and New York to combine with him for united operations. Fearing that no legislature would grant them a charter

First successful trust

for the purpose in view, they got control in 1872 of the South Improvement Company, a moribund Pennsylvania corporation, whose chief asset was a charter allowing it to carry on almost any kind of business it chose. The project began favorably, but it was broken up when the Pennsylvania Legislature revoked the charter on the ground that it was not used for the purposes for which it was granted.

Before the charter was repealed Rockefeller, who headed the Standard Oil Company in Cleveland, managed to get control of most of the refineries in that region. He bought them with stock in his own company, but they had the choice of war to the end or an amicable sale. When they realized that he and his group had obtained such terms from the transportation companies that smaller dealers could not compete with him as independents they accepted his terms. By this means the Standard Oil Company in three months enlarged its daily capacity from 1500 to 10,000 barrels of oil and was able to produce more than a fifth of the refined oil in the country. It was in a position to wield a large influence over the oil business.

Rockefeller's strong grip

Baffled in his attempts to organize the industry into one chartered company Rockefeller now formed a pool of the refiners, controlling four-fifths of the industry. It was dissolved at the end of a year because it was thought that some members violated the agreement, often the fate of pools. Rockefeller and his friends did not give up hope. The thing that held them together was the special rates they had obtained from the railroads. For nine years they proceeded under this loose form of union. All the time the Standard Oil Company was expanding, now buying out a competitor, now adding to its capacity, and

Nine years of growth

always becoming stronger through the ability of its head. It steadily gained the dominance of the old refining group.

In 1882 it was so completely in control that it felt able to give outward form to what had developed by gradual growth. The first step was to organize four Standard Oil Companies, one each in Ohio, New Jersey, New York, and Pennsylvania. This step was taken publicly and by state charter. To bring these four companies into perfect concert nine trustees, with Rockefeller at the head, were appointed. To them was surrendered the stock in the four state companies and to their custody were transferred the earnings of the companies, to be distributed as dividends to the persons who surrendered the stock. Thus was created the trust, an act of voluntary agreement which did not require a charter. Its existence was not publicly known until 1888.

The trust idea

When the trust stood revealed to the country there was an outburst of wrath. Suit was brought to dissolve the Standard Oil Company of Cleveland, and dissolution was ordered by the courts; but ample time was allowed to comply. Fearing similar action in other states Rockefeller turned to New Jersey, already known for a friendly attitude toward trusts. The Standard Oil Company of New Jersey increased its stock from ten to one hundred and ten millions, took over the property formerly in the hands of the trustees, paid for it in new stock, and dissolved the trust created in 1882. Rockefeller's success was thus assured and many others imitated his methods. The significance of a New Jersey charter was that unless the legislature interfered, which was not likely in this state, the company could do business in any other state under the guarantee of the Federal Con-

A New Jersey charter

stitution that the citizen of one state shall be allowed in all other states the rights he has in his own state. Strictly speaking the Standard Oil Company as enlarged in New Jersey was not a trust, but the term had caught the popular fancy and continued to be used for all such great concerns.

Trusts rarely began with the combination of all the enterprises in a given industry. Some concerns would not join and others were not deemed necessary. Against such outsiders bitter war was waged until they were crushed or forced to enter the combinations. In such contests were freely used the worst methods of the old era of competition, bitter feelings were aroused, and the aid of the state and federal governments was invoked. The demand was for the destruction of the new instruments of wrong, but no one seemed to know just how it could be accomplished without seriously hindering the progress of legitimate industry. Much was said on the subject in the campaign of 1888, and when Congress met in 1889 many bills were introduced to prohibit trusts.

Methods of combat

The great difficulty was to frame a law that would not do more than was intended. Business men had been combining for years. How could some be allowed to combine and others prevented without violating the ordinary property rights that are guaranteed by the Constitution? The answer was found in the Sherman Anti-Trust Law of 1890. It contained a simple and general statement that combinations established in restraint of trade passing from state to state, and intended to promote monopoly, were illegal; and the persons forming them should be punished by fine or imprisonment. The country did not quite understand this law. It took it to mean much, or little. In fact, it was such a law as might be en-

Sherman anti-trust act, 1890

forced or ignored as the administration understood its meaning. It was not until Roosevelt was President that determined efforts were made to execute it.

7. The Pension Act of 1890

Three kinds of military pensions have been granted by the United States: (a) pensions for physical disabilities incurred in actual service; (b) pensions for dependent soldiers or relatives of soldiers unable to provide for themselves; (c) pensions paid merely on the ground of service. Provisions for pensions of the first kind have been made in the beginnings of all our wars. With respect of most of our wars, provisions have been made for service pensions when the survivors of a war have become old and few. As to pensions of the second class, given to dependent persons who are not disabled, they were granted to Revolutionary soldiers in 1818, and a full service pension was voted to Revolutionary soldiers in 1832. Opponents of the tariff declared that this pension was established to use up the Treasury surplus and do away with the demand for a lower tariff. No pensions of the second kind were voted for the War of 1812, but full service pensions were granted in 1871 and liberally extended in 1878. A liberal law for pensions of the second class was passed in 1887 for Mexican War soldiers and full service pensions in 1907. Such is the history of pensions for the wars earlier than 1861.

Three kinds of pensions

Disability pensions for Civil War soldiers were authorized on a liberal scale by acts passed in Congress in 1862, 1864, 1865, 1866, 1872, and 1873. In 1872 Garfield said in the House that the expenditure for pensions, then standing at $27,000,000, had reached its peak, would remain stationary for a few years and then decline. His prediction might have

Early civil-war pensions

proved correct but for the activities of the pension attorneys.

These men were numerous in Washington. They helped a soldier file his claim and received a fee fixed by the government. When the claim was good they rendered proper services. But as the good claims became fewer, some attorneys took up bad claims many of which were rejected by the Commissioner of Pensions. Then grew up the habit of referring such claims, approved by a lenient committee, to Congress as private bills, where they usually passed without inquiry on the floor of either House. In carrying out this process the pension attorneys became a powerful and persistent lobby. They went further than mere private bills and sought to get laws passed for more liberal pensions. To carry their schemes through they established newspapers and appealed to the soldier vote. They had a strong influence in the Grand Army of the Republic, composed of officers and soldiers of the Civil War.

Pension attorneys

Their first striking success was in 1879 when the Arrears-Pension Act was passed. This act referred to disabilities, which by the old law were allowed if they developed within five years from discharge. The Act of 1879 gave any pensioner the arrears from death or discharge to the time a pension was applied for. The prospect of thus receiving a large lump sum appealed to many a man or woman who would not apply for a small sum paid at intervals. Under the stimulus of the attorneys the act was passed with the strong support of each party. Under it the pension bill rose from $27,000,000 in 1878 to $56,000,000 in 1880; and the number of applicants increased from 44,587 to 141,466 in the same period. The pension attorneys were rewarded for their efforts

Arrears Act of 1879

by this vast increase in business, though the legal fee did not exceed $10 for each claim.

Cleveland's pension policy

When Cleveland was President he adopted the plan of examining carefully the private pension bills sent him for signature. Many of them he signed, and many he vetoed after satisfying himself they were unwarranted. Against him the pension attorneys opened their powerful batteries and reminded the public that he was elected by the votes of former Confederate soldiers. Cleveland did not modify his course and when the lobby got Congress to pass a bill in 1887 to allow pensions to all soldiers dependent on their own labor and not able to earn a living he vetoed that bill also. For his entire pension policy he was severely arraigned in 1888 and the assault was a strong factor in his defeat.

Harrison's pension policy

President Harrison took office pledged to a liberal pension policy. He appointed James Tanner Pension Commissioner, a prominent agitator for pensions. As "Corporal Tanner" he had made many speeches at soldiers' reunions and on the stump supporting the work being done by the pension attorneys. When commissioner he openly expressed his determination to increase the pensions by a policy of re-rating. He began with the employees in his office, where he thus increased the annual amount paid for pensions by $16,000. Tanner's procedure was so much criticized that his superior, the Secretary of the Interior, cautioned him to change his methods. He resented the censure and quarreled with the Secretary, with the result that Harrison interfered and dismissed him, an act acceptable to most people.

In his first annual message, December 3, 1889, Harrison urged the passage of a dependent pension law. Congress complied, and the President signed such a

law on January 27, 1890. It granted pensions of $6 to $12 a month to honorably discharged soldiers who had served as much as ninety days and who suffered from mental or physical disability, however incurred, so that they could not support themselves by manual labor; provided that such disability had not been incurred through vicious habits. When the law was passed responsible officials gave assurances that it would be enforced in a liberal spirit; and despite its formal reference to disabilities, it was to all intents a service pension act. In its second year of operation, when it was fully acting, the total expenditure for pensions had increased by $68,000,000 a year, and in the course of seventeen years by a total of $1,058,000,000. It was passed as a political measure, with an eye to the old-soldier vote.

Pension Act of 1890

Since 1890 the pension system has been further expanded. The Act of 1890 was by President Roosevelt in 1904 so interpreted that any soldier sixty-two years old should be considered disabled by old age and therefore entitled to a pension. He also won the esteem of the pensioners by appointing "Corporal Tanner," whose forced resignation under Harrison had been resented by the old soldiers, to a remunerative office in Washington. Roosevelt's order of 1904 had the disadvantage that it might be revoked by a future President. To prevent such a thing Congress was induced to pass a law in 1907 for service pensions to Civil War soldiers sixty-two years old. In 1912 Congress extended its pension benefits still further by increasing the rates allowed to such beneficiaries, with a maximum of $30 a month to men who had reached seventy-five years.

Growth of the system

The Civil War pensions have been extremely expensive. From 1866 to 1917, when the United States en-

tered the World War, the total disbursement for pensions, including the comparatively small amount paid the soldiers of the Spanish and Indian wars, had amounted to $5,119,080,336. In 1866 the number on the pension rolls was 126,722: in 1917 it was 673,111. It is the largest expenditure for pensions of any sort in the history of the world.

Cost of pensions

8. Federal Elections and Negro Suffrage

At the end of the reconstruction period the South, which had lost so much in other ways, gained in its representation in Congress through counting all the negroes in the apportionment. In 1860 it had 108 representatives, in 1880 it had 135. In the same period the three Middle Atlantic states rose from 66 to 73, and the six New England states declined from 41 to 40. The Southern gain worked for the advantage of the Democrats and the disadvantage of the Republicans. The increase of Southern representation was caused by the enfranchisement of the negroes, but it was well known that the South neutralized the negro vote in one way or another, and by the time of President Harrison the Republicans were beginning to feel themselves the victims of a grievous wrong. It is true that by laws left over from reconstruction days the federal government could intervene in federal elections; but the right could be enforced only by deputy-marshals and supervisors, who were too weak to contend with state officers supported by public opinion in the South. The Republicans, now controlling both Houses of Congress, were indignant at a situation which made a federal law a dead letter and deprived them of votes in the House.

A Southern gain

This feeling led them to bring in the Federal Election Bill of 1890, providing that federal officials be ap-

pointed on election boards upon the petition of 500 voters in any district. They were to be taken from both parties and have authority to inspect and verify the vote cast in a federal election, decide challenges, and place in the box ballots rejected by local officials. On its face the law applied to all parts of the country, but it was aimed mainly at the South and the city of New York.

Election bill of 1890

Candid Southerners did not deny suppressing the negro vote, but they justified it by saying a great wrong had been done when negro suffrage was imposed on the South by military force; and they insisted it was necessary to eliminate that vote in order to have good government. The question had much political character on each side. The Republicans wanted the negroes to vote and the vote counted, and it was for that purpose that the bill of 1890 was introduced into the House.

Pro and con

The debate at once became strenuous. One side repeated the old arguments against the maltreatment of negroes in the South. Speaker Reed expressed the gist when he said that the South was not to be allowed to eat her cake and have it also. Southerners gave clear warning that it would be impossible to enforce a law to put the South into the hands of the negroes. If the North wished the situation of the early seventies restored in the South the proposed law, they said, was well conceived. The bill passed the House with little difficulty, but it came to a halt in the Senate. The more it was considered the greater was the unwillingness to enter upon the stormy course its passage would produce. The proposal was finally killed by an agreement between eight free silver Senators and a group of Southern Senators.

The threat to pass the election bill alarmed South-

erners greatly, and the defeat of the bill did not altogether remove their fears; for federal interference might be renewed at any time. Another source of anxiety to the Southern Democrats was the appearance of the People's Party in their midst with fair prospect of dividing the white vote. These two things led Southerners to pass certain amendments to several state constitutions, in order to exclude the negro from the suffrage without incurring penalties for violating the Fifteenth Amendment. To do this it was necessary to word the alterations so that the negro was not disfranchised upon the specified grounds of "race, color, or previous condition of servitude," the only grounds on which at that time the right of suffrage might not be denied.

Southern state amendments

A way was found which seemed to be safe, and which worked effectively for the next thirty years. Mississippi led in 1890 and was followed by South Carolina (1895); Louisiana (1898); North Carolina (1900); Alabama (1901); Virginia (1902); and Oklahoma (1910). In specific form the amendments varied, but they all made the suffrage rest on certain conditions, as ability to read and write, ownership of property, payment of taxes, or good moral character. The makers realized that it would be difficult to get them adopted by a popular vote; for there were many illiterate whites in each Southern state and they would vote down the amendments unless assured that white men would not be disfranchised.

Forms of the amendments

To meet this practical condition two clauses were devised. One of them, used in Mississippi, provided that a registered voter must be able to read or understand, to the satisfaction of the board of registrars, a clause in the state constitution. As the registrars were usually white men they easily

Two critical clauses

accepted the explanations of white men and rarely allowed those of colored men. Under the operation of this amendment the negro vote in Mississippi was nearly eliminated. In Louisiana another clause was used to avoid the opposition of illiterate whites. It was provided that the right to vote should be exercised by persons who could read and write or who held property; or by those who could vote on January 1, 1867, or by those who were sons or grandsons of such voters. This was the famous "grandfather" clause. The privilege of registering under it was to cease on September 1, 1898. The "understanding" clause was adopted in the South Carolina amendment; and the "grandfather" clause went into the North Carolina, Alabama, and Virginia amendments in one form or another.

Appeal to the courts

It was natural that these amendments should go to the Supreme Court for interpretation. But that tribunal showed a strong unwillingness to pass upon them in fact. To overthrow them would produce a critical situation in the South, where the whites were more than ever determined that the negroes should not rule either all or any considerable part of the section. The Court showed a desire to avoid precipitating a sectional conflict. In 1897 it held that Mississippi's "understanding" clause did not become unconstitutional merely because it made wrong possible. The Oklahoma "grandfather" clause was passed on by the Supreme Court in 1915 and declared unconstitutional because it did what the fifteenth amendment prohibited; but the decision had little effect. The "grandfather" clause was devised for a specific purpose, to get the illiterate whites to vote for an educational or property basis for voting, and in general registration under it was limited to a few years after enactment.

By 1915 the first of these purposes was accomplished and the second was obsolete so far as future registrations were concerned.

The first effect of these amendments was so to discourage the negroes that they did not try to vote. In Louisiana the number who registered fell from 127,000 in 1896 to 3,300 in 1900. A sense of helplessness caused them to withdraw from political life in the states that had adopted the suffrage amendments. Nevertheless the Fifteenth Amendment is still a part of the federal Constitution; and when the negro race comes to have the weight of trained intelligence and the substantial possession of property, it will probably find a way to qualify and vote under the present state amendments.

Effects on the Negroes

It was predicted that the elimination of the negro vote would lead the whites to divide into parties; but so far that result has not occurred. In general the South continues solidly Democratic. Fierce contests take place within the party at the nominating primaries, with large votes cast. But the decision reached in the primary is not disputed. The final election itself, therefore, arouses little interest and is carried with a very light vote. The real contest is in the primary.

Leads to primaries

9. Foreign Affairs under Harrison

Harrison took little part in the matters described up to this point in this narrative. They were connected with legislation, and it was not his policy to guide legislation. Even in foreign affairs, he took little hand. Blaine was Secretary of State, and his position was so high that few men, least of all the unaggressive President, were likely to give him direc-

Harrison and Blaine

tions. The foreign policy of this administration was chiefly Blaine's.

"Jingoism"

The Secretary was called a "jingo" by those who did not admire him. Properly speaking the word means one who blusters in order that people may think him brave. As applied to Blaine it was intended to indicate that his attitude toward other nations, especially those of Latin America, was overbearing and not free from bombast. The accusation goes too far. Blaine wished to take a vigorous part in Latin American affairs, but he always acted to promote, in his judgment, the interests of the United States.

The Samoan incident

When he entered office a dispute had arisen between Great Britain, Germany, and the United States over the Samoan Islands, occupying a strategic position in the Pacific Ocean between Hawaii and Australia. Each of these nations had a coaling station in the islands and each shared their trade, which was not considerable. The king of the islands was independent but Germany's representatives on the spot seemed to be moving to bring him under their domination. When he resisted they set up a rival claimant to his throne. Their action was resented by the two other powers and a state of irritation arose that might have led to war. In 1881 the United States called a conference of the three powers to consider the situation, but no agreement was reached.

A great hurricane

For more than seven years the matter dragged on without adjustment. In January, 1889, a United States ship was seized by Germans in the islands, and although it was released feeling became so acute that each nation sent warships to the spot. March 16 a furious hurricane descended upon these vessels and all but one were destroyed. Under the stunning news of this calamity all hands agreed to hold

another conference. Each nation gave up its pretension to establish a predominating influence and it was arranged that the islands should be neutralized under the joint protectorate of the three powers. Blaine took part in this negotiation and supported the adjustment; in the process he engaged in a sharp dispute with Bismarck, which left a bad impression. The compromise of 1889 did not work well. Friction occurred and in 1899 the islands were divided. The United States got Tutuila with the excellent harbor of Pago-Pago, Great Britain gave her share to Germany in exchange for concessions elsewhere, so that Germany took all that the United States did not get. This arrangement worked satisfactorily until the World War, when New Zealand seized the portion then in Germany's hands.

Blaine also had to deal with the Mafia incident in New Orleans in 1891. A series of murders in that city were attributed to a branch of the Mafia, an Italian secret society. No convictions were obtained in the courts, which led to the suspicion that the Mafia was using bribery. At length the popular chief of the police was murdered. He had been active against the suspected Italians and it was believed that they had killed him. For this crime twenty-two Italians were arrested and nine tried for their lives. All were acquitted and remanded for further trial. The public took the decision as a defeat of justice, and in open day, without disguises, marched to the jail, forced the doors, and killed eleven Italian prisoners.

The Mafia incident

The Italian government quickly demanded reparation and punishment for the mob leaders. Blaine was willing to make reparation as demanded, but by our system the punishment of the mob fell to Louisiana, a fact which the Italian minister in Washington did not appreciate. As a treaty guaranteed the

Intercourse suspended

rights of his nationals, he said that he expected the treaty to be enforced. Blaine met his protests with an even stronger statement. "I do not recognize," he said, "the right of any government to tell the United States what it shall do. We have never received orders from any foreign power, and shall not begin now." The upshot was that each nation withdrew its minister and for a year the only negotiations between the two countries were carried on by subordinate agents. Relations became more amicable in the spring of 1892. Investigation showed that all but three of the slain prisoners were naturalized citizens; and when Congress voted $25,000 to be distributed to the families of these three the matter was settled amicably.

Seal fishing

To Blaine was also left for adjustment a long standing dispute with Great Britain over sealing in the Bering Sea. The Aleutian Islands, a part of Alaska, divide this sea from the Pacific Ocean, and on this fact was rested a theory, older than Blaine's secretaryship, that the Bering Sea was *mare clausum*, notwithstanding that the intervals between the islands were much more than six miles. Within the sea are the Pribyloff Islands to which the seal repair every spring to rear their young. The growing value of the fur led to such slaughter of the seal that they seemed in danger of extinction. Acting on the ground that we had sovereignty over all islands in the sea the United States made regulations limiting the number of seal that could be taken. Foreign ships did not respect the rules and were seized, most of them having British registry. The matter then went into the hands of the diplomats. Both sides became irritated, and March 2, 1889, Congress made matters worse by enacting that killing seal in Alaskan waters should apply "to all the dominion of the United States in the waters of Bering

Sea," which was taken to support the claim of the State Department. While Blaine may be censured for the unwarrantable length to which he went in asserting the claim over the Bering Sea, it is well to remember that when he became Secretary both Congress and his predecessors in office had fully asserted that claim.

The correspondence between Blaine and Lord Salisbury, for Great Britain, continued nearly three years. Blaine and Salisbury Blaine spoke of Russian practices and said we had acquired all Russia's rights by purchase in 1867. His lordship did not agree that Russia's claim to jurisdiction over the sea was evidence that she had such authority. He rejected flatly the claim that we owned the seal because they reared their young on the Pribyloff Islands. The seal, he said, were *ferae naturae* and, like whale and other sea animals, could be taken by anyone at pleasure on the high seas. As neither gentleman convinced the other, it was at last decided to arbitrate the dispute.

A tribunal sitting in Paris in 1893 held: 1. That the Bering Sea is not *mare clausum* and the United States Bering Sea decision have no authority over the seal beyond the three-mile limit. 2. That rules should be made jointly to govern both countries for the future protection of the seal; and 3. That damages assessed by the tribunal should be paid by the United States for vessels seized without the three-mile limit. Thus we lost our contention that we could regulate the seal fishing, but we obtained the creation of rules for the protection of the seals.

To Blaine fell also the conduct of the Chilean negotiations of 1891–1892. While Secretary of State under Blaine and Chile in 1881 Garfield in 1881 he became involved in a quarrel which Chile had with Peru and Bolivia. Chile had just won a war against the other

two nations and was proceeding to take valuable Peruvian nitrate and guano lands as indemnity. Our minister to Peru asked Blaine to protect that nation. At the same time our minister to Chile asked him to support Chile. Blaine seems to have thought he could adjust the matter by conference and sent a special agent to the scene, with the result that neither side gave in. The agent reported that nothing could be done unless we used force. Blaine would not go that far and had to withdraw as gracefully as he could. The Chileans resented his action and seemed to believe that he and our minister in Peru expected pecuniary profit in the matter, a charge for which no evidence exists.

It was unlucky that he had to face another Chilean dispute when he again became Secretary of State. In 1891 the country was in the throes of revolution, one party supporting Balmaceda, who wished to make himself dictator, and the other party, the "Congressionalists," trying to prevent his success. As usual the foreign powers took sides. The British supported the "Congressionalists," which probably caused Patrick Egan, our minister and a warm political friend of Blaine, to take the other side.

In 1891

After a short struggle the Balmacedists were defeated. Prominent members of the defeated party fleeing the wrath of the victors, took asylum in the United States legation and Egan refused to give them up. The new government dared not violate the legation but placed guards around it to take the fugitives the moment they emerged. After some time spent thus, a peaceable agreement was made by which the refugees were allowed to go safely out of the country. This affair damaged the prestige of the United States in Chile; for Balmaceda was a pretty crude adventurer.

Right of asylum

In May, 1891, while the revolution was still in progress, a Chilean merchant vessel, the *Itata,* received for the "Congressionalists" a supply of arms outside of the harbor of San Diego, California. For this act she was seized by the United States authorities, to the delight of the Balmacedists, but she eluded her captors and sailed for home. The United States cruiser *Charleston* was sent in pursuit but did not find her. For a brief time the situation seemed critical, but the "Congressionalists" wisely gave up the ship, which in a trial before a United States Federal Court was declared illegally seized and handed back to the owners. This incident added to the indignation of the Chileans.

The *Itata*

A more vivid expression of that feeling came at Valparaiso, October 16, 1891, when a mob attacked a party of our sailors from the *Baltimore,* killing one and wounding several. It was said that Chilean police aided the mob. The attitude of the authorities was thought to be deliberately insulting; and this notion was strengthened by a Chilean refusal to make explanation until an investigation could be made. In an offensive statement the Chilean foreign minister accused President Harrison of making deliberate misstatement, and in a final report he disposed of the affair as an affray begun by drunken sailors. To these provocations Harrison replied with an ultimatum, demanding on January 21, 1892, an apology and reparations. He followed it on January 25 with a warlike message to Congress.

Baltimore incident

The Chilean reply was a quick and complete compliance, which surprised our people. The explanation was that the offending foreign minister at Valparaiso had given place to a more tactful man on January 1.

It was also revealed that Harrison made his brusque demand on Chile after a conciliatory letter from Chile had been received in Washington. Blaine was ill most of the time it went on, but he cannot entirely escape responsibility for a policy whose general spirit he had created. As for Harrison, he was accustomed to leave foreign affairs to the Secretary of State, and he probably gave little attention to the Chilean correspondence.

Chilean compliance

10. The Election of 1892

As Harrison approached the election year of 1892 his enemies renewed their attacks upon his official conduct. His lack of personal magnetism, his indifference to his own popularity, his retiring disposition, and his coldness to men with whom he had dealings united to weaken him in the eyes of the people. The old charge of "nepotism" was brought up again and with much effect. Moreover, he had acquired enemies in his own party. Senators Platt, of New York, and Quay, of Pennsylvania, made the nucleus around which gathered many discontented office-seekers. Platt had expected to be in the cabinet and seems to have understood that a place was promised him. He did not forget the disappointment. Harrison's break with Quay was probably to his credit. In 1890 charges were made that Quay had misappropriated public money while an official of the state of Pennsylvania. Harrison appears to have accepted the charges as true. Quay became very angry, thinking that Harrison had profited by his support when it was needed and now repudiated him when he was unpopular.

Harrison's unpopularity

Harrison's unpopularity was not the only cause of his defeat in 1892. The course of legislation in Congress

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had aroused great opposition. The McKinley tariff had produced much criticism, the extravagant pension bill created a great deal of discontent outside of the old-soldier circles; the appropriations passed by Congress were the largest the country had seen in times of peace; and in general Congress had fairly acquired the character of being narrowly partisan, careless of the people's money, and unduly subject to the influence of the privileged class. The Democrats called it the "billion dollar Congress," an epithet not altogether neutralized by Reed's clever retort: "This is a billion dollar country." It injured the party in power to have it said that under the Democrats there was a surplus which had disappeared under the Republicans.

Rebuke for Congress

As the time approached for the nominating convention Harrison's opponents began to make plans against him. Platt and Quay were the center of the business. For candidate they thought of Blaine, who refused because he was a member of Harrison's cabinet. But the idea would not down. What was in Blaine's mind was never explained. He may have feared the state of his health, or the attacks on his integrity which would certainly be repeated, as in 1884, if he ran again. He died in January, 1893, of Bright's disease, and he probably knew how little he was likely to live through a term of the Presidency. Nevertheless the idea fascinated him. June 4, three days before the convention met, he startled the country by sending Harrison a curt letter of resignation. His friends in the convention took this to mean that he was a candidate for the nomination, and they rallied to his side. But it was too late. Harrison had won the majority of the delegates, and he was nominated on the first ballot.

Harrison and Blaine

In the Democratic Party the stars pointed to Cleveland. When he was defeated in 1888 on the tariff issue, his opponents thought him disposed of permanently. The Congressional elections of 1890 showed that tariff reform was not dead, and if there was to be another battle for tariff reduction Cleveland was the logical leader. His opponents in the party were led by Hill, of New York, and Gorman, of Maryland. They tried to commit the nominating convention to a platform of evasions, but the majority of the delegates were Cleveland men and repudiated the cut and dried announcement of the platform committee and substituted a ringing utterance from the floor. The first line had been carried by the Cleveland men. The second was carried with even more éclat when Cleveland was nominated against Hill on the first ballot.

Cleveland and his party

The Republicans thought the Democrats would become a floundering mass, broken up by their disagreement over silver, but they were deceived. Cleveland had made the tariff the leading issue. It was the most conspicuous feature of Harrison's administration and the Republicans could not refuse it. Nor could the supporters of Harrison say anything against free silver; for they had many silver men in their own ranks. This shelving of their favorite issue did not please the strong silver Democrats, but they were too loyal to party to make trouble. They determined to elect Cleveland and afterwards do what they could for silver. The result of the election showed that Cleveland received 277 electoral votes, Harrison 145, and Weaver, the populist candidate, 22.

Tariff the chief issue

A notable part in this campaign was taken by a strong group of independent voters, of whom the most prominent man was President Charles W. Eliot, of

Harvard University. But thousands of college professors, teachers in other institutions, clergymen, and others who were not bound to any party joined in the movement for the election of the sturdy champion of reform, and their votes had an important bearing on the general result.

The independent vote

CHAPTER II

CONFUSION IN CLEVELAND'S SECOND ADMINISTRATION (1893–1897)

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12. Significance of the Administraton

Reforms wrecked

The history of Cleveland's second administration is the pathetic story of reforms wrecked through the failure of his followers to stand by him in the face of grave economic disaster. No President had finer intentions or firmer character. He was elected by a large majority, with the support of a large group of reformers. His victory was considered a triumph of the best elements in politics. Yet this brilliant beginning speedily passed under a cloud and the end of his administration was blackened with the hatred of a large part of his own party.

The period opened with the panic of 1893 which had two causes, the export of gold and the large expansion of speculative business. For several months Europe had

been calling on the United States for gold, taking large amounts out of the country. The gold went first from the banks, who called on the Treasury to replace their deficiencies. The increasing issue of notes for the purchase of silver bullion under the silver act of 1890, caused a steady shrinkage of the government's stock of gold, which had been well above the $100,000,000 mark since the beginning of the resumption of specie payment in 1879. Business men began to fear that it would fall below that mark and eventuate in the hoarding of gold by speculators. It was with great difficulty that Harrison kept the reserve on the side of safety, and when he retired it stood at only $100,982,410.

The outflow of gold

At the same time the country was passing through a period of overspeculation. It was an era of extravagant buying, and merchants and manufacturers made heavy commitments, to support which the banks lent freely. Then came a sudden recession. Many merchants, transportation companies, factory owners, and others could not meet their obligations. Unemployment spread widely, the banks called for the repayment of loans and met with slight success. In the general pressure the country ceased to buy securities with the old freedom, and some of the newly formed trusts went into bankruptcy. The most notable was the National Cordage Company, which had been paying large dividends, probably out of its capital stock. In January, 1893, its shares sold for 147 and sixteen weeks later they sold for less than 10. In the general alarm the faith of the public in the banks was weakened, depositors sometimes made runs on the banks, and by midsummer of 1893 the situation was grave. This state of business was a severe trial to the new administration.

Over-speculation

In Cleveland's own party two distinct groups attacked him. The foes of reform measures, led by Senators Hill and Gorman, who had opposed his nomination until his popular support made opposition useless, began to work for his undoing. They were bent on breaking his hold on the party, although it was evident that in doing so they might overwhelm themselves and place the Republicans in power. They succeeded in spoiling his tariff bill of 1894, thereby obstructing the chief policy he was elected to carry into execution. Before its blight lifted came the free silver attack from the West and South, overwhelming both Cleveland and his anti-reform foes Hill and Gorman had set the example of party disloyalty. They went down under the new fury, while the Democratic Party entered a new era of party control. For many years it had been largely under New York leadership, the South and West being content to follow men like Horatio Seymour, Tilden, and Cleveland. It now fell into the hands of a Western and Southern combination, led by Bryan, and the old leadership was not to be reëstablished for many a year.

Democratic dissension

13. Repeal of the Sherman Silver Law of 1890

The panic of 1893 went its course rapidly. The banks that had lent most carelessly to the speculators were the first to suffer. Bankruptcy fell upon them like sudden hail. When the storm had passed 158 national banks, 172 state banks, 47 savings banks, 177 private banks, 13 loan and trust companies, and 16 mortgage companies had ceased to transact business. So scarce did money become that certified checks sold at a discount, as low as four per cent. Under such conditions it paid to import gold, and the month of August saw $41,000,000 of it brought over from

Panic of 1893

Europe. This was the turn of the tide. Money became more plentiful, confidence came back gradually, the worst of the credits were wiped off, and the future witnessed more careful and solid methods of business.

Gold question

One danger still lurked in the situation. By the silver law of 1890 the government had to buy silver bullion and pay for it in new Treasury notes. In this way the currency was inflated to about forty millions of dollars a year. Although the crest of the panic had passed, this ever increasing stock of paper money led many people to doubt if specie payment could be maintained. The gold in the Treasury was barely above the $100,000,000 mark when Cleveland took office. If it went below, said the doubters, disaster would follow. In time it did go below without financial collapse; but the spirit of dread hung over the country. Cleveland concluded that the silver law of 1890 should be repealed; for it was like an ulcer letting poison into the blood channel. He called Congress in extra session, August 7, 1893, and with the aid of the Republicans he induced it to repeal the law. The intake of poison was stopped: to get out what had already been absorbed was another matter.

Effect on parties

The repeal of this law cost Cleveland much of his party support. Most of the Southern and Western Democrats were free silver men and denounced him openly as under the influence of the money power. They had no ground, however, to say that he had deceived them; for he had not disguised his opposition to silver even before his party nominated him in 1892. When repeal was before Congress he freely called on the Republicans for support, and it could not have passed without their votes. Only twenty Democrats voted for it in the

Senate, and several of these were induced to favor it by liberal offers of patronage. The free silver Democrats, the majority in Congress, considered their President's appeal to the Republicans a kind of party treason. Besides the opposition of the anti-reformers, led by Hill and Gorman, Cleveland thenceforward had to deal with the silver men, a group destined to overwhelm him and the anti-reformers alike.

14. The Wilson-Gorman Tariff

Tariff problem

The chief issue of the campaign of 1892 was the tariff, and Congress met to carry out the verdict of the election, which was to revise the tariff downward. Great care was necessary in carrying out such a program; for the country was still suffering from the hard times that usually follow a panic. The revenues were falling behind, partly because the McKinley Act had placed many rates so high that importation was discouraged, and partly because the Congress of 1889–1891 had made vast appropriations for pensions and other continuous expenditures, the burden of which was carried over to the next administration. In 1890 there was a surplus of $105,000,000. In 1891 it fell to $37,000,000, in 1892 to $10,000,000, and in 1893 to $2,000,000. It was a serious problem to try to lower the tariff under such conditions.

Wilson-Gorman tariff

The new bill was prepared in the House by a committee of which Henry L. Wilson, of West Virginia, was chairman. It provided for a lowering of rates on many articles necessary to the people; and to obviate the loss of revenue that was expected an income tax was levied which, it was thought, would yield $50,000,000, and thus make up the loss. This bill passed the House without diffi-

culty. In the Senate it met the fate of most tariff bills in that body: it was strenuously overhauled and the rates raised by a group of Senators led by Gorman and Hill. Under pretense that otherwise it would not yield sufficient revenue, the rates were placed so high, at the behest of a strong lobby, that when the measure finally went to the President, he would not approve it. By holding it ten days he allowed it to become law without his signature. He did not fail to speak his mind about the Senators who had thus thrown away the Democratic promises of 1892, but his words only made wider the breach between him and his party.

Income tax fails

While the income tax was under discussion in Congress, grave doubts as to its constitutionality were raised by lawyers. The bill was no sooner passed than a case was made up and hurried to the Supreme Court, which gave a hostile opinion. It held that a tax on income derived from land was a tax on real estate, and as a direct tax, it was not constitutional unless apportioned according to population. It held likewise that a tax on the income from state or municipal bonds was a tax on a state's power to borrow money and for that reason unconstitutional. As to the legality of taxing incomes from other sources, the Court at first was divided. The vote was four to four, Justice Jackson being absent. A short time later the absent Justice returned, the case was argued again and a general decision was made. It declared by a vote of five to four that an income tax was a direct tax and unconstitutional unless apportioned according to population. It was not Justice Jackson who cast the deciding vote in this case. In fact, he voted for the tax as finally argued. The tax was lost because Justice Shiras, who favored it at first, changed his vote at the last. The income tax was popular in the country at

large, and when it was lost through the changing of the vote of one Justice much discontent was manifested.

The "Endless Chain"

It has been said that the failure of the income tax created the deficit that so disastrously dogged the steps of the administration. Probably the tax, had it stood, would not have raised as much revenue as was expected, and a deficit would have occurred anyhow. The Treasury ran short of funds and had to use whatever money it had to meet expenses, which led to trouble of another nature. The Resumption Act of 1875, providing that Treasury notes should be redeemed in specie when there was a fund of $100,000,000 in gold in the Treasury, was still operating. But it did not make this gold fund a separate reserve. The fund was merely a part of the government's money, and when in the days now under consideration the Secretary found his funds running short he paid out gold, or, what was the same thing, notes which were soon presented to him for gold. Thus the deficit in revenue, itself connected with the Wilson-Gorman tariff, was also connected with that continuous withdrawal of gold which came to be known as the "endless chain" process.

15. Selling Bonds to Protect the Gold Supply

Europe takes gold

The importation of gold at the peak of the panic of 1893, as we have seen, stopped the withdrawal of Treasury gold for the time. Withdrawal was resumed a few weeks later, and by October 15 the gold reserve was well below $100,000,000. The predicted rush of frightened people to get gold for paper did not occur, and for a time the country breathed easily. But it was not out of danger. Europe was still calling for gold and willing to buy it at a premium. The banks sold it to the exporters, in ex-

change for notes, which were then presented to the government in order to get gold to replace that which had been exported. The Treasury took the notes but had to pay them out again for expenses, whereupon they came back again for more gold. The issue of silver notes to pay for bullion under the silver act of 1890 inflated the currency and made it easier to keep up this process.

January 14, 1894, the gold in the Treasury was only $68,000,000. Carlisle, the Secretary of the Treasury, wished to stay the growing alarm by having the government sell bonds for gold. He laid the matter before Congress, but the silver men there would not hear of issuing gold bonds. Then Carlisle acted under the law of 1875: he asked for bids on $50,000,000 to be sold for gold, and realized $58,660,000. This was the first bond sale for the support of the reserve since 1878.

Bonds sold

Carlisle's action raised great wrath among the silver men. Why did he not pay out silver for the notes, instead of allowing the hungry speculators to take gold to sell abroad at a profit? His reply was that if he refused to pay out gold when demanded, it would begin to sell at a premium, which would produce hoarding and all the effects of the suspension of specie payment. This reply did not satisfy the silver men. They talked more than ever about the subserviency of the government to the monied interests and their anger against Cleveland increased.

Anger of silver men

Of the $58,660,000 in gold paid in for the first bond issue $24,000,000 were withdrawn while the instalments allowed to subscribers were becoming due. In other words 40% of the gold received was taken out of the Treasury before the whole subscription was paid in. Moreover, the drain continued, and by

Second bond issue

August, 1894, the gold fund was only $52,189,500. Appeals to the banks brought temporary relief, but in November the banks could do no more and the Secretary sold another issue of $50,000,000 in bonds. Half the gold received for them was drawn out of the Treasury by the "endless chain" process. Soon affairs were worse than before the second bond issue was made. In January, 1895, gold amounting to $45,000,000 was taken out of the Treasury in exchange for notes, and of this sum only $25,000,000 went abroad. The balance remained in this country. The public was evidently alarmed and beginning to hoard gold against the day it would sell at a premium. January 31 only $41,000,000 of gold were in the Treasury and if withdrawals continued at the existing rate none would be left by March 1. The government stood face to face with disaster.

Congress Defiant

Fully impressed with the gravity of the case Cleveland made a last call on Congress. January 28 he asked for authority to sell bonds to retire the legal tender notes then out, so as to reduce the power of the speculators of drawing gold from the Treasury. The request was refused with scorn. Let the speculators in the government's gold be handed silver, whether they wished it or not. That was all Congress would say.

Morgan contract

Then Cleveland turned to the banks. He made a contract with a syndicate headed by J. P. Morgan and Co. and August Belmont and Co. They obtained $62,315,400 in 4% bonds for gold at $104\frac{1}{2}$ and agreed to import half the gold paid for the bonds and to use their influence to stop exportations. It was a hard bargain forced on the government by the banks, but it broke up the "endless chain" process and enabled the Treasury to breathe easily

again. It also proved profitable for the banks; for they placed on the market for $112\frac{1}{4}$ the bonds they bought for $104\frac{1}{2}$, and within six months the price had risen to 120.

Cleveland denounced

The silver men were now more infuriated than ever. Cleveland was denounced as a tool of Wall Street, and charges were freely made that he had shared in the profits of the bankers. No proof was ever produced to support the charges, and the few persons who believed them at the time soon came to regret their error. In his personal integrity Cleveland stood unshaken: in his political state he was badly injured. The dominant silverites repudiated him openly. William J. Bryan, then a dashing young member of the House, expressed a common view when he said: "What has he done for his party? He has attempted to inoculate it with the Republican virus, and blood poisoning has set in."

Borrowers and lenders

Not all of this storm was wind. At bottom the conflict was the age-old contest between those who have little and those who have much. On one side were the borrowers, on the other the lenders and investors. The borrowers wanted cheap money to help them pay their debts with ease, while the lenders wanted to prevent inflation. The borrowers thought the government should use its power to guard their interests, while the lenders thought they had an inalienable right to be protected.

A matter of technique

Beyond the desires of these two classes was the inherent nature of the financial system. Through a long growth the system of commercial credit had come to be an admirable and delicately adjusted piece of machinery. At the centre were the great banks, lending money to the regional banks which lent it in turn to the local banks, which lent it finally

to manufacturers, merchants, and other local business men. Nearly all of this borrowed money was put to work in business. If a disturbance happened in any part of the system it was carried to the other parts. No man should have presumed to make changes in this complex system without knowing its working well and seeing what would be the effects of the changes suggested. Nevertheless, in the days that followed Cleveland's heroic treatment of the financial illness of his day, many cried out their nostrums without understanding either the system or its ailment.

16. The Chicago Strikes in 1894

Pullman strike

The panic of 1893 and the hard times that followed created much unemployment and out of idleness came unrest. Many large companies lost business and felt justified in reducing wages. Among them was the Pullman Company, of Chicago, building and operating sleeping and parlor cars. Their factory employees went on strike, when wages were lowered. They belonged to the American Railway Union, which asked that the dispute be arbitrated. The company refused and the railroad men in general declined to work on any trains with Pullman cars. The railroads felt aggrieved. For nothing wrong done by them, but merely over a dispute of the Pullman Company, they found themselves seriously hindered in their business. They could do nothing to make the Pullman Company yield, and yet they must stand idle until the original dispute was settled.

Feeling that a wrong was done them they nerved themselves for a fight to the finish. They called on Governor Altgeld, of Illinois, for military protection against pillaging, which had begun early. Altgeld was in sympathy with the strikers and said that the police

could take care of the troubles, which was not true. When elected Governor he had received the votes of most of the socialists, and after entering upon his office he had pardoned the prisoners convicted of taking part in the Haymarket riot of 1886.

When the governor failed them, the railroads turned to the Federal Government. Ordinarily the President sends troops into a State only when the Governor asks for it in order to preserve order, and it was assumed that he could not interfere, since no call for aid had come from the Governor. But Cleveland found another ground for action. The stoppage of the trains prevented the carrying of the mails, and it was his duty to see that they were delivered. He therefore sent 2,000 soldiers to Chicago to guard the railroads. The Governor protested on the ground that they were not needed. The number proved too small for the forces of misrule that had assembled in the city, and disorder continued.

Cleveland interferes

Cleveland did not back down. July 8, 1894, he issued a solemn warning to the rioters, telling them order would be preserved at any cost. At the same time it became known that he was taking steps to assemble an ample military force for the crisis. Cleveland is said to have declared that if it took the entire army to deliver a postal card in Chicago the card should be delivered. Before this show of firmness the rioters gave way quickly. The trains began to run on schedule, and by July 20 the city was so orderly that the troops were withdrawn.

During the strikes much property was damaged by taking up rails and leaving switches open. Against such practices the roads obtained general injunctions, restraining all persons from conspiring to commit such acts. Under such a writ Eugene V.

Labor injunctions

Debs, President of the American Railway Union, was sent to jail for ignoring the injunction. He had been the main support of the strikes and his imprisonment was a serious handicap to the strikers. More important still was the prominence now gained by the injunction as a weapon in industrial warfare.

Labor protested against it, alleging that since injunctions are decided by a judge acting alone, they take away the right of trial by jury. In the Debs case the Supreme Court ignored this plea on appeal and gave its approval to the use of the injunction to protect property or liberty in cases where the right to recover damages by ordinary suit was not a sufficient safeguard. In the Bucks Stove and Range Case (1908) it was held that an injunction could issue against a boycott. In the Danbury Hatters Case (1914) it was held that the circulation of a list of "unfair dealers" was against the anti-trust law of 1890 and might be enjoined.

This free use of injunctions brought protests from labor, and the matter became a subject for the makers of party platforms. Still later, in 1914, it was injected into the Clayton Anti-Trust Act, which provided against injunctions in disputes over the terms of employment unless they were absolutely necessary for preserving rights which would otherwise be destroyed. Injunctions should not issue against persons promoting strikes by peaceful means. This provision was supposed to have legalized picketing, holding meetings, and all kinds of propaganda, short of actual violence.

Under the Clayton Act

In two cases (the Duplex Printing Case, 1920, and the American Steel Foundries Case, 1921) the court later gave decisions largely limiting the act. It held that its benefits were restricted to persons actually employed, and not to labor agents, and

Before the courts

that to urge a secondary boycott was not a "peaceful means" of contest, even though it were done through speech or by writing. Under these decisions picketing was unlawful and might be enjoined.

17. Foreign Affairs under Cleveland

Two important diplomatic incidents came up in Cleveland's second term: his refusal to accept the annexation of Hawaii and his reproof of Great Britain in her conduct toward Venezuela. The first incident followed our old policy of exercising no authority over territory outside of the North American continent, as shown when the Senate rejected Grant's plan of acquiring Santo Domingo. The second seemed almost an opposite affair; for it was a step which might have led us into war in behalf of Venezuela. In the second case Cleveland acted from his sense of fair play, but he also had in mind the preservation of the Monroe Doctrine.

Two incidents

Citizens of the United States appeared in Hawaii early in the nineteenth century, whalers and fur traders who went thither while the long Arctic winters made it impossible for them to stay in the Far North. In 1820 missionaries also arrived there and the docile natives were easily led to profess Christianity. The Hawaiian kings took the missionaries for their advisers, and thus they were led to reform their government according to American ideals. Eventually a congress was created, elections were held, and the whites were admitted to the suffrage.

Relations with Hawaii

The rise of the power of the foreigners produced a reaction. A native party was formed, opposed to the influence of the whites, who, by 1891, were guided by the sons of the early missionaries. This reaction found a leader in Queen Lilioukalani,

Revolution of 1893

who ascended the throne in 1891. She assumed the authority to set aside the existing constitution and to take all power into her own hands. The whites were dismayed at the prospect before them and took up arms against her in January, 1893. They easily seized Honolulu, deposed the queen, and set up a republic. In the moment of revolt marines were landed from the United States cruiser *Boston* with the announced purpose of protecting property. The Queen alleged that the marines acted to protect the revolutionists and that they overawed the natives and kept them from rallying to her support. On this ground she later asked the United States to make good the damages she had sustained in losing her government.

Our responsibility charged

The leaders of the new republic asked at once that we annex the islands, and Thurston, our minister on the spot, accepted the offer provisionally, raising the United States flag and calling on Washington for support. President Harrison, still in office when this news reached him, assented to the request, and a treaty of annexation was prepared and sent to the Senate, February 16, 1893. But a rumor now spread that Thurston had given effective aid in promoting the revolution, and the Senate defered action on the treaty until the rumor could be investigated. Thus the affair was thrown over into the next administration.

Cleveland's stand

President Cleveland's first action was to withdraw the treaty from the Senate. Next he sent James H. Blount on a special mission to Hawaii, who after inquiry reported that the charges against the minister were true in general; that the revolution was in fact organized by foreigners most of whom were from the United States; and that it would not have succeeded without the aid of our minister.

Cleveland accepted the report and apologized to the Queen. He did not try to set her on the throne again; for such a course would have involved force, and it was not likely that Congress would approve of using the army in that manner.

Hawaii until 1898

Annexation failed, but the Republic of Hawaii continued to exist, ruled by the whites, who had long been the owners of most of the business enterprises there. Although we did not take the islands, we did not mean that they should fall to any other nation. May 31, 1894, Congress unanimously passed resolutions supporting Cleveland's policy, but declaring that interference by any other power would be considered an unfriendly act. It was not until 1898, when Cleveland had ceased to be President, that the Hawaiian Republic was annexed to the United States.

The Schomburgk Line, 1841

Venezuela's boundary dispute with Great Britain, acting for British Guiana, her colony, dated back to the early part of the nineteenth century. Several efforts were made to get it settled by joint action, but they were futile. In 1841 Britain sent out Schomburgk, a Dutch surveyor, who ran a line in such a way as to give British Guiana 50,000 square miles claimed by Venezuela. The line was not run jointly, and Venezuela protested against its validity. Little notice was taken of what she said, and as she soon entered into an era of internal dissensions the matter rested where it was for many years.

Gold fields

In 1876 Venezuela renewed negotiations and asked that steps be taken to settle the dispute, intimating that she would accept a compromise. At the same time she asked the United States to use their good offices in behalf of an adjustment. President Grant complied but did not press the matter. As

for Great Britain, no urging could bring her to a settlement. Gold had just been discovered along the supposed boundry and British subjects were industriously prospecting for it on both sides of the line. In 1880, when the limits of the gold fields were known, she announced her terms of settlement, which included a large area beyond the Schomburgk line of 1841.

Now followed several years of futile appeal and protest. Venezuela's offers to arbitrate the dispute were rejected with scorn and in 1887 she ended them by suspending intercourse and asking Cleveland to help her out of the difficulty. The President of the United States saw in the affair a dangerous source of international irritation, and his sympathies were drawn out for a little state asking only for the arbitration of a boundary dispute, a proposal which the big power would not receive in a spirit of mutuality. He asked the British government to accept his good offices for effecting an adjustment and received a cool negative.

Arbitration again rejected

The suspension of intercourse continued. Harrison made faint efforts to get Britain to act, who finally announced, in 1893, that she would arbitrate her claims to lands beyond the line of 1841 but not east of it. This offer was rejected by Venezuela, since it implied a relinquishment of all she had insisted upon up to 1876. Lord Salisbury was now at the head of the British Foreign Office. He well knew the Venezuelan question; for as a clerk in the Foreign Office he had guided it through many of its early stages. It is hard to review his handling of the case without concluding that he was illiberal and too prone to rest his policy on the superior force of the British navy.

The situation raised the question of the Monroe Doctrine. Did that famous assertion lapse when the

Latin American states had outlived the possibility of colonization? If not, what was its status in 1895?

Status of Monroe Doctrine

Many people in the United States had come to believe that it had become merely academic. Cleveland thought otherwise. He believed it covered the Venezuelan dispute and he said so. His announcement caused much surprise in certain circles, but it had the approval of most of the people. After 1895 the Monroe Doctrine took on a new meaning. The course of his diplomacy is as follows:

In December, 1894, he referred the Venezuelan situation to Congress, which passed a resolution stating that

Challenge to Salisbury

the dispute should be arbitrated. Thus supported he turned to Lord Salisbury, determined that his Lordship should not dally with this government as with Venezuela. A despatch, written by Secretary of State Olney, and dated July 20, 1895, was sent to London, which was well designed to arouse Salisbury's attention. It reviewed the long delays in the controversy and asked whether or not the British government would accept arbitration.

Olney based his demand on international law and the Monroe Doctrine. He made wide claims for our right

Olney's extreme claim

to stand guardians over Latin America, and capped the climax by saying: "Today the United States is practically sovereign on this continent, and its fiat is law upon the subjects to which it confines its interposition." This utterance was not in diplomatic form, nor was it likely to be accepted by Europe, nor even by the states it was made to protect. Moreover, it was not true. It is charitable to assume that it was put in to draw the matter to a head, if, indeed, it was not merely due to nerves temporarily overwrought.

In the dispatch Olney asked Salisbury to reply in

time for the President to mention the subject in his message to Congress. But his Lordship was not to be hurried. He waited until November 26, too late for Cleveland's purpose. On that day he sent two notes, one dealing with the Monroe Doctrine and the other with the Venezuelan boundary dispute. On the first subject he read the United States a lecture. This Doctrine, he said, had no standing in international law, our pretensions under it were unfounded, and it did not apply to the dispute in hand. In the second despatch he reviewed the British contention and declared that the region within the Schomburgk line, now settled by British subjects, would not be submitted to arbitration; but he was willing to accept that method of adjustment for the remainder.

Salisbury's reply

December 17, 1895, Cleveland laid the two notes before Congress, and with them a recommendation for the appointment of an impartial commission to find the "true divisional line" between Venezuela and British Guiana. The decision of this commission, once it was made, should be supported, he said, by the United States in every possible way. He spoke with great deliberation, declaring that he was conscious of the crisis before him; and he closed with this appeal: "There is no calamity which a great nation can invite which equals that which follows a supine submission to wrong and injustice and the consequent loss of self-respect and honor."

Cleveland's Venezuelan message

This message took Congress by surprise but the commission of inquiry asked for was promptly voted. The people in general approved, but the financial interests and the larger business men complained because it interfered with their plans. It startled the British people, who had never heard of the matter in controversy. At first they took it as a joke,

Dispute adjusted

but they became concerned when they realized that serious results might follow. For a time they were much excited but brief reflection showed them that arbitration was no detriment to any just cause, and before this kind of opinion the British Government became less rigid. March 3, 1896, Lord Salisbury announced that he would accept a suggestion made by Olney on November 12 for referring the dispute to an international tribunal; but he stipulated that lands held by British subjects for fifty years should not be given up. A treaty was prepared and accepted by Venezuela by which the controversy was settled, in the main along the Schomburgk line, which was to be expected on the basis of fifty years possession.

While the question was at its height the Englishman, Dr. Jameson, made an unsuccessful raid into the Boer Republic of Transvaal, in South Africa. On January 2, 1896, it failed, and next day the German Emperor sent his congratulations to President Kruger. This incident called the attention of the British people to a powerful opposition rising against them in Europe. It is believed that the appearance of this new danger made Britain realize her need for building up friendship with her long forgotten kindred in the West. It is certain that Cleveland's brusque speaking in 1895 aroused the British public and government to the need of a new state of good will toward the United States.

A new friendship

18. Free Silver and the Election of 1896

In 1890, and even in 1892, free silver was not a strictly party question: in 1896 the situation was changed, and the Republican Party became the outspoken champion of a gold standard, while the Democrats were as earnest for using both

Silver a party issue

gold and silver. This shifting of position came about with much harsh feeling in each party. Silver was strong in the West and South; its opponents were strong in the manufacturing and trading states of the East and the Midcontinent. The new party alignment was, therefore, sectional. As the manufacturing and trading sections were more populous than the other parts of the country, they were destined to win in the conflict the country was about to enter.

As the election year approached the silver men made thorough efforts to organize their forces. Raising the cry that Cleveland had betrayed them into the hands of the monied interests they called upon all who valued the cause to exercise the greatest care lest the same group controlled the National Convention of 1896. The year preceding that event was given to efforts to stir the popular heart, with the result that when it came to the choice of delegates to the Democratic Convention only the known supporters of the white metal were chosen in most of the states. The Eastern Democrats saw this process with alarm, especially in New York, whose superior position in the party was thus endangered.

Counter swing of the Republicans

As the Republicans saw their opponents' tactics they veered around to "sound money," as the gold-standard currency was called. The general political situation favored them. The Democrats were badly divided, the tariff of 1894 did not yield enough revenue, and business was in a state of confusion. On the other hand, the Republicans, disciplined by their defeat in 1892, were united and well determined to make a strong fight for the election.

At this auspicious moment Mark Hanna came on the scene as party manager. This rich and able iron mer-

chant of Cleveland, Ohio, had already won influence as a party leader in his own state. He was an ardent protectionist and a warm friend of William McKinley, author of the tariff law of 1890. He had shown great ability in raising campaign funds, and he was about to show equal capacity as a campaign manager. He formed the purpose of nominating McKinley for the Presidency and early in 1895 set out to carry it into effect in a business-like manner. His idea pleased the manufacturers, who identified McKinley with protection, and it enabled the party to expect large campaign contributions. Many times it had been said that the country suffered at the hands of mere politicians. Mark Hanna was a typical business man, his ideas were business-like, and he had the support of the business men.

Marcus A. Hanna

Before the Republican nominating convention met, Hanna had pledges from enough delegates to nominate McKinley. Among them were many from the West who were still for the use of silver equally with gold, but the majority were for a gold standard and desired a gold plank in the platform. This action alarmed Hanna; for he feared the Western men would reject McKinley if they knew that gold was to be indorsed. Accordingly he used the utmost secresy with regard to the gold plank and did not reveal it until the last moment, when McKinley's nomination had gone so far that it could not be recalled. The adoption of the gold plank caused great dismay among the silver men, and thirty-four of them, led by Senator Teller, of Colorado, withdrew from the convention and took steps to found a silver party. Up to this point the leaders had expected to keep silver in the background: they now knew that such a course was impossible.

McKinley nominated

In the Democratic Convention, Chicago, June 7, the silver group was as determined to rule as the gold faction in the Republican Convention. They took charge of the convention, tossed aside Senator Hill, whom the executive committee had selected for temporary chairman, named a man to their liking in his place, made up the platform committee as they wished it to be, condemned the repeal of the Sherman Silver Law of 1890, and refused to pass resolutions indorsing Cleveland's administration. They feared the men of the East and were determined to give them no opportunity to shape the work of the convention.

Silver and the Democratic Convention

The weakest point in their cause was the lack of an outstanding leader. None of the men who had brought the group together were of preëminent ability as orators, and they met without knowing whom they should take for the captain-general of their battle. Then came up suddenly a young man who fulfilled all the requirements of the moment. In a speech that swept the convention off its feet he put the silver movement before the nation in its most favorable light and made for himself the position of leading silver champion in the country. William J. Bryan's "thou shalt not crucify mankind upon a cross of gold" speech made its author the Presidential nominee of his party and the arbiter of its destinies for twenty years thereafter. He became the centre of an organization that served him with a devotion enjoyed by no other member of his party since the days of Andrew Jackson. His ideas were frequently immature, they drove many Democrats out of the party, and they were not in touch with the life of the day. But he had courage, frankness, and leadership. He was, also, ever opposed to the influence of big business

Bryan nominated

in government. With his followers these were cardinal virtues, and in their minds they outweighed his faults.

Three minor parties

The Republicans who left the convention with Teller set up a silver party and indorsed Bryan. The People's Party, much weakened since the election of 1892, also indorsed Bryan, but to save itself from complete loss of identity it set up its own candidate for vice-president. Some of the Democrats who opposed free coinage of silver formed a sound money party and nominated General Palmer, of Illinois for President. These three minor parties proved a temporary feature of the country's political life. The most striking thing in the campaign was the rise of Bryan to power, and next to that the committal of the Republicans to the gold standard.

Campaign of 1896

In the beginning Bryan assumed the aggressive. He attacked the gold plank boldly and paid little attention to the tariff. Demanding the free and unlimited coinage of silver at the ratio of sixteen to one, and denouncing the gold plank as evidence of the uprighteous power of banks and Wall Street speculators in politics, he went through the country in flaming tours that left scorching paths behind. His opponents laughed at him at first, calling him a "boy orator": they soon realized that it would take their most earnest work to defeat him. By the greatest exertion they recovered their confidence and carried the election to a decided victory. McKinley received 271 electoral votes to Bryan's 176 and had a popular majority of 600,000 in a total popular vote of 13,600,000.

The campaign of 1896 is notable for the large amount of money spent in it. The popular estimate of the funds expended by the Republicans reached $12,000,000, which was undoubtedly too high. The figures given out by the committee at a later date were $3,500,000,

which was $2,000,000 more than the amount raised in 1892. Hanna proved himself very efficient in raising campaign funds. $3,000,000 was raised in New York, where he urged on banks, rich firms, and wealthy individuals the argument that free silver would prove disastrous to their interests. He did not hesitate to assess such firms and persons the amount he thought they should pay, and in most cases he got what he asked for. One of his rules was that banks should pay him one-quarter of one per cent. on their capital stock. Hanna's methods were thorough-going and set new standards for campaign expenditure which managers of later contests have felt obliged to follow. Hence the power of money in politics has become greater than before.

CHAPTER III

McKINLEY AND THE WAR WITH SPAIN (1897–1901)

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20. The Character of McKinley's Administration, 1897–1901

President McKinley entered office under favorable conditions and conducted affairs during his Presidency with great popularity. Unlike his predecessor he was entirely in sympathy with his party. No factions appeared in its ranks to mar his plans. He was a kind and tactful man and popular by reason of his genial treatment of his friends. He had no part in the reform struggles that preceded his rise into power and he is well described by saying that he was an out and out organization man. But he was usually on the clean and honest side of the organization, and while he did not try seriously to improve political

William McKinley, Jr.

practices he did not consciously make things worse. His personal character was wholesome. With more firmness and aggression he might have been ranked with the few great persons who have occupied the White House. As it is, he is remembered for his good intentions, his fine personal character, and the gentle courage with which he faced death after receiving the bullet of a crazed anarchist.

It may be truly said that Mark Hanna made McKinley President. Before the inauguration occurred it be-

Position of Hanna

came evident that Hanna did not wish to relinquish his position of chief adviser of the President. It also became known that he wished to go to Washington. John Sherman was one of the Senators from Ohio. He was an old man full of honor and high in the esteem of the people; but his mind was showing the effects of old age and was not vigorous enough for a strenuous administrative position. Hanna, however, had made up his mind. He induced McKinley to make Sherman Secretary of State and took the vacant Senatorship. He was a masterful man and was apt to get what he set his heart on. In Washington he was a power in politics. Politicians sought his favor because of his supposed influence with the President. He used his authority to forward the interests of his party and to make the machinery of government operate successfully.

Sherman's inability to conduct public business was soon evident, and he retired at the end of a year to

Secretary of State

be succeeded by William R. Day who, in turn, gave place to John Hay in September, 1898. Day was a competent Secretary, but he came into power too late to influence the course of our affairs with Spain. Under the circumstances McKinley himself was the guiding force in foreign affairs. It was he who

decided whether war or peace should be the outcome of those negotiations.

Business men in politics

Hanna's accession to power marks the triumph of the influence of what were called "the business interests," or "the interests." It was a familiar saying that what the country needed was more business men in politics. Hanna was a business man and made business men feel that in him they had a friend at the centre of government. To him they looked for the stability that would enable them to prosper. He had little interest in reform, political or economic. It was he who originated the expression "stand pat," as it applied to politics. It meant that he opposed the whole reform group of ideas and wished the policy of government to proceed along conservative lines. He was honest and industrious, and he was not charged with corrupt policies, but he consistently supported the party machines, among which were many men with low political standards.

Theodore Roosevelt

By a curious coincidence there arrived in Washington at this time the man who was destined to be Hanna's chief opponent and finally his conqueror. Theodore Roosevelt had taken an active interest in public affairs during the preceding nineteen years. He was a conspicuous advocate of civil service reform in 1884 and later, and he served as a member of the National Civil Service Commission from 1889 to 1895. Next he was Police Commissioner of New York City, resigning in 1897 to enter active politics. He sought office under McKinley and became Assistant Secretary of the Navy in 1897. By this time he was established as one of the leading reformers in the country. He was an advocate of clean politics and an opponent to those who sought to use government to promote their personal interests.

21. The Gold Standard and the Dingley Tariff

The money standard and the tariff were the leading issues in the campaign of 1896, and the victorious Republicans felt it their duty to deal with them in new acts of Congress. They took over the government in March, 1897, with the expectation of speedily passing a new tariff and fixing a gold standard by law. The first of these expectations was soon realized: the second was deferred until 1900, when the people stood on the verge of a new election.

Two leading issues

The delay in taking up the money question was due to the feeling that it would be unwise to hasten the enactment of law for the gold standard. The subject had been the occasion of violent differences in the campaign. A very large portion of the people believed in silver, and even the Republican platform of 1896 had declared for international bimetalism. To hurry through Congress a gold bill would certainly bring protest from a considerable number of voters. It was the sensible McKinley who saw this situation and held back the impetuous party men who would have used the first moments of victory to make free silver impossible. McKinley urged that the first thing to do was to pass a tariff law that would supply the Treasury with the necessary revenues. He had his way.

The Republicans had control of the preceding House and used their authority to prepare a tariff bill, although they knew it could not become a law with Cleveland in the White House. This bill was ready for consideration in the extra session which McKinley called soon after his inauguration, and it passed the House with little debate. It was prepared with the expectation that the rates should not be unusually high. Many gold Democrats had been led to

Dingley tariff, 1897

vote for McKinley, and they had been assured that his election would not mean the restoration of excessive protection. The House kept the promise, but the Senate threw it to the winds. When the Dingley Bill, as it was called, passed that chamber it was the highest tariff enacted by Congress up to that time. By ordinary computation the rates of the McKinley Act of 1890 on all dutiable goods averaged 49½%, the Wilson-Gorman Act of 1894 averaged 40½% to 41¾%, and the Dingley Act of 1897 averaged 49¼% to 52%. The change of front was due to the pressure of a powerful tariff lobby, especially effective in dealing with the Senate.

International bimetallism rejected

While Congress discussed the tariff the President turned to the money question. Recalling that his party's platform pledged him to try to obtain international bimetallism, he asked the leading European nations to define their attitudes toward such coöperation. From Great Britain came a clear negative, so that he decided to abandon the project. He concluded justly that international bimetallism was impossible without the support of the greatest trading nation of Europe. Few people had expected the project to succeed, but it served to defer decisive action and to gain time for the formation of opinion favorable to adoption of the gold standard. The Senate, however, was still kind to silver; and in January, 1898, it passed a concurrent resolution for paying the national debt in silver at the option of the Treasury. The resolution failed in the House.

Gold Standard Law of 1900

In 1898 came the short, successful, and popular War with Spain. Under the influence of the enthusiasm thus created for the administration the Republicans carried the elections of 1898, and changed the situation in the Senate so that they controlled it. They seized the opportunity to

pass an act, March 14, 1900, making the gold dollar the standard of value, and directing that a separate reserve fund of gold amounting to $150,000,000 should be maintained for the redemption of government notes. Thus the United States definitely went on a gold basis, and the spectre of free and unlimited coinage of silver ceased to frighten business men.

Lesson for Democracy

It took the self-governing people of this country a long time to learn how a modern nation should make laws creating money standards. Many decades ago they tolerated "wild-cat" bank-notes. During the Civil War they established the national banks. Then a large portion of them were caught by the fanciful pictures of fiat money. At last they came to free silver and nearly adopted it. Each of these battles for unsound money, had the effect of making the nation think about its currency. In these conflicts was born wisdom, and the Gold Act of 1900 shows that a democracy after many experiments may come at last to understand the fundamental principles of such a technical problem as the regulation of its money's value.

Arbitration defeated

While the extra session of 1897 was in existence McKinley sent the Senate a treaty negotiated with Great Britain by Cleveland, providing for the settlement of future disputes by arbitration. In his inaugural address McKinley said: "Arbitration is the true method of settlement of international as well as local or individual differences." The hope was that if these two states came to settle their differences by reason instead of by war, other states would come to do the same thing. The treaty was defeated on the ground that it abridged the right of the Senate to make treaties and the right of Congress to declare war.

22. The Origin of the War with Spain

Ten Years' War in Cuba

From 1868 for ten years civil war existed in Cuba. A portion of the inhabitants were in arms, struggling for the independence that the continental Spanish colonies had obtained earlier in the century. By fighting a guerrilla war, by burning the property of the rich planters, and by never risking a decisive battle the insurgents were able to keep up the struggle until both sides were well nigh exhausted. At last Spain in 1878 promised that she would allow the Cubans an autonomous government and peace was restored to the devastated island.

United States involved

It was impossible for the United States to keep entirely clear of this war. Cubans freely applied for our citizenship and, getting it, went back to Cuba to participate in the struggle. If captured they claimed the protection of United States government. Also, a number of our more adventurous people joined the insurgents, and some of them became prisoners. Finally, the insurgents bought arms in our cities, shipped them to Cuba, and some of the ships were captured by Spain. From these sources arose much hard feeling and some serious notes between the United States and Spain. The situation was annoying and it might well lead to strained relations. On this account we felt justified in advising Spain to come to an understanding with the Cubans; and the promise of autonomy was in a way a response to our requests. We had, therefore, a peculiar interest in its execution.

Years passed and Spain took no steps to carry out her promise. The Cubans grew desperate and the United States became anxious. Finally in 1895, after seventeen years of delay, a so-called plan of autonomy

was announced in Madrid. It proposed to place Cuba in the hands of a Council, half appointed by the government and half elected in Cuba, with a franchise under which the large majority of the people could not vote. Those admitted to the suffrage were the planters and merchants, who had always favored Spanish interests. This class accepted the plan as offered; but the poor, who had made up the mass of the revolutionists in the Ten Years' War, rejected it and took up arms.

Cuba misgoverned

Spain had, in fact, misgoverned the island sadly. At that time she collected $26,000,000 in Cuban taxes annually. One half went to pay the interest on the Spanish debt and a fourth went to keep Spain's army and navy. The balance was spent on the island, but a large portion went to pay Spanish officers in Cuba, and only $1,000,000 went to education and public improvements. Spain looked on Cuba as a rich colony to be exploited for her benefit. Moreover, she did not keep faith. By violating her promises she created the belief that she was not to be trusted, and this conviction lay beneath the popular demand in the United States for war in 1898. This feeling grew so strong that it swept away McKinley's resistance and made war inevitable.

Reconcentration

When the Civil War in Cuba began in 1895 the old methods of resistance were adopted by the insurgents, and although 200,000 Spanish troops were sent to Cuba the revolt was not suppressed. Small bands struck at Spanish detachments, raided from the swamps the plantations of the cane growers, or levied contributions on property owners. They had the sympathy of the poorer men in general, from whom they received supplies or recruits. To put down this form of resistance demanded more enterprising soldiers than Spain's. General Weyler, the Captain-General,

undertook to overcome it with a decree of reconcentration. In 1896 he ordered all Cubans living outside of garrison towns to move within such towns or be treated as rebels. The inhabitants, forced to leave their homes, were huddled together in narrow spaces in towns and, provided with little food, many died from malnutrition and bad sanitation.

Cleveland and the Cubans

Meanwhile, the insurgents by an active propaganda aroused sympathy in the United States. No doubt, much of the suffering they described was exaggerated, but the public distrusted Spain and the demand for intervention became strong. Cleveland resisted it. He knew the insurgents were badly organized and did not think they could sustain the independence to which they aspired. In the spring of 1896 Congress passed a concurrent resolution to give the Cubans the rights of belligerents, but Cleveland ignored it. He held that the President alone had the right to conduct diplomatic affairs, a part of which was the function of extending or withholding recognition. Nevertheless, he took notice of the growing sympathy for the insurgents and in his last annual message, December 7, 1896, he gave warning that a situation might arise in Cuba "in which our obligations to the sovereignty of Spain will be superseded by higher obligations." He realized that the government could not restrain the public much longer unless the Cuban situation improved.

McKinley's policy

McKinley, less inclined than Cleveland to oppose the public, took a more earnest attitude with Spain. He wished to get her to establish real autonomy in the island. June 27, 1897, he protested to Madrid against the harsh policy adopted and against reconcentration in particular. Spain replied that the situation was not as bad as represented and that recon-

centration was no worse than the devastation in the Civil War by Sheridan and Hunter in the Shenandoah Valley and by Sherman in Georgia. Late in September the President sent still another note, revealing more strongly his desire that Cuba be given effective autonomy. His insistence had its effect graduately on the Spanish people.

The change was manifest in the growing power of a liberal party led by Sagasta, which charged the conservatives with responsibility for the hopeless state of affairs in Cuba and for leading Spain to the verge of war with the United States. Six days later than McKinley's September note the head of the conservative ministry was assassinated and Sagasta took his place. He had a difficult policy to carry out. On one hand he must not offend Spaniards by seeming to truckle to McKinley and on the other he must yield to the demand for autonomy. His purpose was to come around slowly, waiting for Spanish opinion to change as he changed. He showed his object by recalling Weyler from Cuba, sending Blanco, a mild man, in his place, and announcing that autonomy would be granted in due time. Against these steps the conservatives protested. It was his fate that he could not break their opposition before the situation in the United States went beyond the control of the President.

Sagasta's concessions

November 27, 1897, Sagasta announced that Spain would grant autonomy to Cuba. The insurgents raised violent objections, saying it was too late, and after all who could stand guard over Spain and see that she carried out autonomy after it was set up? McKinley took notice of the decree in his annual message, December 6, 1897, and said that the country should wait to see how autonomy was executed before deciding on its course. The message hinted at inter-

Autonomy promised

vention, which a large portion of the people demanded on the ground of humanity.

The pro-Spanish faction was strong in Havana. It flouted Sagasta's autonomy decree and rioting occurred.

Destruction of the *Maine*

The inhabitants hated the United States for the part taken in the controversy and showed their feelings in many ways. General Fitzhugh Lee, consul at Havana, laid the situation before the Department of State in Washington, and the battleship *Maine* was sent to the harbor to impress the Havanese with the power of the United States. She was anchored at a place designated by the local authorities. On the evening of February 15, 1898, the harbor was suddenly illuminated by the flash from a vast explosion in which the ship was destroyed and 258 of her officers and men were killed.

Who had done the foul deed? An official investigation was made with the greatest care. The report stated that the *Maine* was destroyed by an external mine, but it did not decide how the mine came to be exploded. When the wreck of the ship was raised in 1911, for removal from the harbor, it was again examined by a board of officials and again it was reported that the cause of destruction was a mine exploded outside the ship. On this basis it would seem that the mine must have been manipulated either by (a) a Spanish official acting in official capacity, or (b) a Spanish official acting for himself unknown to his superiors and carried away by his personal resentment against the United States; or (c) a Cuban insurgent who by stealth had got into a position in which he could do the deed. The first suggestion seems improbable because Spain wished to avoid war and the destruction of the battleship would be opposite to that course. The third is ruled out because after

war began no Cuban insurgent claimed the honor of destroying the ship. Thus by a process of elimination the second supposition is the strongest. The destruction of the *Maine* increased the feeling against Spain and strengthened the hands of those who were trying to press McKinley into war.

Spain yielding

In Spain it made the people see how critical the situation had become, and in this respect it helped Sagasta in his efforts to bring public opinion around. He had a strong supporter in Woodford, our minister in Madrid, who believed in Sagasta's sincerity and wished to see the matter settled without war. At this time we had merely asked for that Cuban autonomy which Spain had promised to give; and an armistice, which she was willing to give if the insurgents would ask for it. Woodford thought she would come shortly to grant it without a previous request from the Cubans.

McKinley's Ultimatum

This favorable prospect was suddenly reversed on March 29, when McKinley sent an ultimatum to Madrid demanding the repeal of reconcentration, an armistice until October 1, and the initiation of peace negotiations. Sagasta did not dare accept such demands under a threat but said an armistice would be granted if the Cubans asked for it and a parliament would assemble in Cuba by May 4 to adopt means for establishing peace. McKinley was not satisfied with these concessions and let it be known that he would send a war message to Congress on April 6.

Why had the President changed his attitude? Rhodes who had personal touch with Hanna, gives this explanation: "McKinley feared a rupture in his own party, and on account of that fear, had not the nerve and the power to resist the pressure for war." A very

able propaganda was conducted in this country in behalf of the insurgents. The people of the West and South had been made to think that it was the business men who wanted peace, that it was dollars against humanity, and the President feared the effect if they came to believe that he stood against humanity.

Spain now realized that war was at hand and decided to make a supreme effort to escape that calamity. It cost her much in pride and the yielding came slowly and at the last moment. In fact, it was aided by a delay of several days on the part of McKinley, in order to get our citizens out of Cuba before the wrath of the pro-Spanish population broke upon them. April 9 Sagasta authorized the Governor of Cuba to arrange an armistice, and next day Woodford cabled that by August 1 all we could ask, even to the point of Cuban independence, would be granted. He added: "I hope nothing will be done to humiliate Spain, as I am satisfied that the present government is going, and is loyally ready to go, as fast and as far as it can." If Woodford was correct our diplomacy had been splendidly successful and war was unnecessary.

Spain's futile surrender

April 11 the President laid before Congress the whole Cuban question, observing at the close that information had just been received that an armistice was to be established in Cuba. Congress took a week to debate and on April 19 adopted resolutions declaring that the people of Cuba "are, and of right ought to be, free and independent" and empowering the President to use force to carry these resolutions into effect. The resolutions also included the "Teller Resolution," to the effect that the United States would not exercise sovereignty over Cuba after her pacification but would leave her to be ruled by her own peo-

War declared

ple. President McKinley gave his approval on April 20 and the war began the next day.

23. Dewey's Campaign at Manila

Theodore Roosevelt, Assistant-Secretary of the Navy, watched these events closely. During a brief service as Acting Secretary, he caused the Pacific fleet under Commodore Dewey to assemble in force at Hong Kong, well supplied for quick and decisive service. April 25, four days after war began, orders from Secretary Long reached Dewey saying: "Proceed at once to the Philippine Islands. Commence operations at once, particularly against the Spanish fleet. You must capture vessels or destroy. Use utmost endeavors." The Spanish power in the Philippines was small. It consisted of the Bay of Manila and a few small ports, defended by old fortifications, and a number of small ships of war, mostly wooden. To overthrow it proved an easy task.

Roosevelt's preparations

Dewey needed no urging. April 27 he set sail, and when morning came on May 1 he was inside the bay with the Spanish fleet, larger than his own force, but not so well armed, stretched out before him under the guns of the fortifications. The battle that followed was a victory for the best guns. By noon Spain's last arm of strength in the island was broken. Her fleet was a mass of ruins and the city of Manila was undefended against the guns of the attackers. This signal triumph was won without the death of one of Dewey's men in battle and only seven wounded. None of his ships were injured. It was a brilliant engagement, making full allowances for the superior weight and range of his cannon.

Battle of Manila Bay

Dewey's squadron was sent forth in order to protect our shipping in the Pacific. That object attained he

might have gone back to San Francisco, leaving Manila to the prey of any power that felt like taking it. He did not feel warranted in pursuing such a course without specific orders. He reported the situation to Washington and was ordered to remain where he was. Meanwhile landing forces were sent to his aid and his squadron was strengthened, but until they arrived his position was delicate. He declared Manila blockaded and announced that he would exercise military authority over the bay, which he was justified in doing under international law. The uncertainty of his position arose from the small force he had with which to enforce his authority.

Holding Manila Bay

Soon after he won his battle, foreign warships began to drop anchor before Manila. They came ostensibly to protect the interests of their nationals, but in reality to observe his operations. France and Japan sent one each, Great Britain three, and Germany five, which were far more than were needed to protect German interests. All the commanders but the German, Vice-Admiral von Diedrich, respected Dewey's authority, remaining quietly at their posts of observation. Von Diedrich's ships moved freely about the bay. They took soundings, communicated with the Spaniards, interfered with the insurgents, then acting with Dewey, and in other ways violated the rules of blockade.

Von Diedrich's sea manners

This conduct was irritating. Dewey made a protest asserting the right to visit incoming vessels to ascertain their character. Von Diedrich undertook to call a council of the neutral commanders, but only one came, Captain Chichester, who made it plain that he supported the American position. Nevertheless the German commander did not cease his annoyance. He finally sent an officer to make some

Dewey's threat

trivial protests. Says Dewey: "When I had heard them through I made the most of the occasion by using him as a third person to state candidly and firmly my attitude in a verbal message which he conveyed to his superior so successfully that Vice-Admiral Von Diedrich was able to understand my point of view." An apparently reliable story has it that his actual words were: "And say to Admiral Von Diedrich that if he wants a fight he can have it now."

24. The Santiago Campaign

When the war began it was thought that the summer of 1898 would be given over to preparations and the autumn to a strong attack on Havana. Unexpected events came up and the autumn, when it arrived, saw the fighting at an end and the diplomats busy making peace. The thing that upset the plans of the War Department was the dispatch of a Spanish fleet to the West Indies.

Navy's plan

The people of Spain were alarmed at the prospect of having their army in Cuba cut off by the United States Navy and forced into surrender through lack of supplies. To reassure them their government sent out a squadron of first class ships to cruise off the Cuban coast and keep the United States fleet from blockading the Cuban ports, a task for which the squadron was not adequate. The commander, Admiral Cervera, was able and intelligent. He urged that he was not strong enough to defeat the navy of his opponents and not able to get coal in Cuba in order to keep up operations. His superiors ignored his protest. They did not dare let their people think they had abandoned the army in a far country.

Cervera's impossible task

Cervera set sail on April 29, 1898, going first to Martinique, May 12, where he learned that two hostile

squadrons were sailing along the Cuban coast looking for him. One was under Rear Admiral Sampson and was on the northern coast of the island, the other, under Commodore Schley, was on the southern coast. He made for Santiago, on the eastern end of Cuba, arrived there before his adversaries intercepted him, and placed himself under the orders of the commander of the army at Havana. What he could do in Santiago, without coal, and too weak to fight his opponents, no one could see. He was in a trap, and its doors were closed on him when Schley arrived off the harbor on May 28, with Sampson coming up on June 1. His situation was desperate. He could not cut his way out and Spain had no other fleet that could drive off the blockaders. In a short time famine would force him to surrender.

Among the blockaders Sampson was in chief command. He was not content to let time do its work, thinking the end could be hastened by establishing lines of investment around the town. Reporting the situation to Washington he said that if there were a land force of 15,000 men in front of Santiago he could capture the place and with it the flower of Spain's Navy. The force of his argument was understood by the President, and orders were given for sending out the required troops. They were hastily assembled at Tampa, Florida, regular troops, militia, and a regiment of volunteer cavalry "the Rough Riders," raised through the enterprise of Theodore Roosevelt, who became its lieutenant-colonel. In all they were 16,887 men and officers, with General Shafter in command. The force was larger than the army that defeated Cornwallis at Yorktown in 1781 and a little more than half as large as one of the many divisions used by the United States in the War

Army called in

against Germany in 1918. It sailed from Tampa on June 14 and was off Santiago on June 22.

Santiago campaign

Landing was effected through the surf on the coast east of the town, outposts were thrown forward, and lines of supplies were established. June 30, after two skirmishes, the force attacked and carried the outer defenses of the town, the Spaniards falling back to their inner lines of defense. This attack was mainly on San Juan Hill. The troops had been told they would break through easily, and they became discouraged when they met a stout resistance. Settling down to trench warfare added to their misery, and the hot sun and tropical rains brought on sickness. Under these conditions a council of war was held on July 3, at which it was decided that the proper course to follow was to draw off the army to higher ground, recruit its health, and wait for reinforcements before carrying the siege further. A dispatch to that effect was sent to the War Department at Washington.

Wheeler's stern bluff

Had this course been followed the war would have been prolonged for months. That it was not attempted was due to a suggestion of General Joseph Wheeler, who advised that a stern attitude be assumed and a peremptory demand for surrender be made on the Spanish commander. The demand was made and it produced such confusion in the minds of the enemy that they believed themselves about to be overwhelmed. Under this conviction, the Governor of Cuba ordered Cervera to try to cut his way out through the blockading fleet, in order that Spaniards might not see the dishonor of a fleet taken without a fight. Cervera obeyed with a heavy heart; for he knew how futile was the attempt. A capital blunder had been made in sending his fleet into the trap: it was about to end in a tragedy.

July 4 was Sunday and Cervera, his officers and men, attended mass at an early hour and then went on board the ships. At 9:15 in the morning, the Admiral leading the way, the fleet turned its prows seaward, with all steam up and prepared to fight desperately its last battle. Rounding the headlands that concealed the inner harbor, it drew the fire of the blockading squadron and a fearful running fight began. Cervera had ordered his ships to disperse as they emerged from the harbor, thinking that some might escape, while the blockaders concentrated on others. The order was disregarded, and each ship followed the commander who had the post of danger. The battle developed into a series of marine duels, two lines of ships steaming parallel courses and firing as rapidly as they could. The upshot was that one after another of the Spanish ships gave up the fight in a sinking condition and the last struck its colors shortly after one o'clock in the afternoon. The squadron, four fine armored cruisers and two destroyers, was a series of burning wrecks, and the Spanish casualties included 323 dead, 151 wounded, and 1782 captured. Sampson lost one man killed and one wounded. Again the navy had won a signal victory, and again the victory was due to the superiority of the cannon.

Spain's fleet destroyed

The destruction of Cervera's squadron put an end to the discouragement in the army. Disease crept forward, but the men stood to their posts, extended the lines, brought up artillery over the worst roads, and soon had the city at their mercy. On July 17 Santiago surrendered. It was none too soon for the preservation of the army from disease. Fever of a serious type had already appeared, and so great was the alarm that early in August the whole force was ordered to Montauk Point, Long Island, to recuperate its shattered health.

Santiago captured

25. The Treaty of Peace

Porto Rico and the protocol

Cervera's defeat and the fall of Santiago convinced Spain that the war was lost, and July 18 she asked the French Government to act as intermediary in making peace on the basis of the independence of Cuba. The request was received favorably by McKinley and arrangements began to be discussed looking to a cessation of arms. While they were still proceeding a force commanded by General Miles moved from Cuba to Porto Rico, July 21, and established United States authority there by an easy conquest. August 12 a protocol was signed by the two nations and fighting ceased.

The terms of the protocol were dictated by the United States. They provided for an armistice pending the completion of a treaty, the recognition by Spain of Cuban independence, the cession of Porto Rico and one of the Ladrones, in the Pacific Ocean, as indemnity, and the postponement until the final treaty of the status of the Philippines, the United States to maintain their position there pending that event. It was provided that commissioners from the two nations should meet in Paris to settle the terms of peace not later than October 1.

Making the Treaty of Paris

On the day named the following commissioners in Paris opened the discussion of the treaty: William R. Day, who resigned the Secretaryship of State to be chairman of the commission, Whitelaw Reid, Senators Cushman K. Davis, William P. Frye, and George Gray. The last named was a Democrat, the others were Republicans. Three of the members were Senators, and from that fact arose some criticism. The Constitution, it was remarked, provides that the President shall negotiate a treaty and the

Senate ratify it, but to have Senators negotiating as well as ratifying a treaty was more than was contemplated in the plan of government. The point was unimportant; for Spain was so badly beaten that she could do nothing but accept what was offered. McKinley really conducted the negotiations by cable, telling the commissioners what to demand. They in turn told the Spaniards, who accepted with heavy hearts.

Terms of the Treaty

The first thing was to settle the future of Cuba. Spain wished to transfer it to the United States, by them to be handed over to the natives. Much of her debt was secured by pledges of the Cuban revenue, and she thought that by taking over the islands we should take over the debt. The commissioners refused to consider such terms, and it was decided that Spain should set Cuba free and herself become responsible for the debts under consideration. Porto Rico and Guam, one of the Ladrones, were handed over to us. In Congress and the country was some feeling for the acceptance and retention of Cuba; but McKinley, remembering our pledge in the Teller Resolution, declared that we must set Cuba free; and he had his way.

Fate of the Philippines

The fate of the Philippines presented the only serious point in the negotiations. An army of considerable strength had been assembled on the beach before Manila as rapidly as possible, and on August 13 it took the city, without knowing that the protocol was signed on the twelfth. A provisional government was set up under General Merritt; but his authority was confined to the city and the shore covered by the guns of Dewey's ships. The remainder of the islands was in the hands of the natives, who had taken up arms under Aguinaldo as soon as the Spanish power collapsed. In the beginning this revolt was sup-

ported by Dewey; but he changed his attitude when it became evident that his government might wish to hold the Philippines. Coolness grew up between the two armies, who faced one another quietly while waiting for the action of the commissioners at Paris.

The decision was with McKinley, who was in genuine doubt about the matter. In the country at large a strong feeling ran for keeping the islands, partly because it was thought that they had great economic possibilities, partly because it was felt that we might do much to spread our ideas among the Filipinos, and mostly because of an instinct for national acquisition. Three of the five commissioners in Paris shared this feeling, one, Day, was undecided, and one, Gray, was opposed. The grounds of opposition were that we could not hold the islands and develop them profitably on account of climate and the racial conditions there; that it was against our ideals to impose government on dependent peoples; and especially that we had fought the war on altruistic grounds and should treat the Filipinos as we had treated the Cubans, set them free to rule themselves. McKinley weighed these arguments and observed the trend of public opinion. By the end of October he concluded that the people desired annexation and he accepted what he considered their verdict. The treaty provided that we should hold the islands and pay Spain $20,000,000.

McKinley's decision

McKinley later told a group of prominent Methodists how he came to his decision. He gave the subject, he said, much thought and prayer "and one night late it came to me in this way — I don't know how it was but it came: (1) that we could not give them back to Spain — that would be cowardly and dishonorable; (2) that we could not turn them over to France or Germany, our commercial rivals in

His explanation

the Orient — that would be bad business and discreditable; (3) that we could not leave them to themselves — they were unfit for self-government and they would soon have anarchy and misrule over there worse than Spain's was; and (4) that there was nothing left for us to do but take them all, and to educate the Filipinos, and uplift and civilize and Christianize them, and by God's grace do the very best we could by them as our fellow-men for whom Christ also died. And then I went to sleep and slept soundly." To this day it is not easy to decide whether the course followed was wise or unwise.

Treaty ratified

The treaty reached the Senate on January 4, 1899, and met severe opposition there, mostly from the Democrats, who were traditionally against expansion. It finally passed, February 6, by a vote of 57 to 27, only one more than the necessary two-thirds. While it was pending William J. Bryan urged his friends to vote for it. It was charged that he wished it adopted so that expansion could be made a campaign issue in 1900. A short time later one of his supporters who had voted for ratification offered a resolution declaring that ratification of the treaty of peace with Spain was not to be considered as a final expression of our Philippine policy. It passed the Senate but failed in the House.

26. The Philippine War

Rizal and the revolt

Under Spain the Philippines were governed by a captain-general appointed by the crown, and the provinces were administered by appointed officials. Local authority was practically in the hands of the friars and priests, who held the best lands and ruled the people both spiritually, politically, and industrially. The mass of natives were submissive, but

a number, mostly of the Tagalog stock, resented the situation and sought to change it. Under the influence of Rizal, a novelist and an ardent patriot, a strong revolt was organized which gave Spain much trouble. In 1896 Rizal was captured and shot, but a successor was found in Aguinaldo who carried on the war until the government obtained his submission in 1897 by promising a large sum of money and certain reforms in government.

When Dewey sailed for Manila, 1898, Aguinaldo was in Singapore, discontented because Spain had not carried out her promises of the preceding year. He offered to go with Dewey and arrange coöperation between the natives and the United States in the efforts to drive Spain from the archipelago. Dewey acquiesced, took Aguinaldo to Manila Bay, set him ashore, and gave him arms for the forces that gathered around him. Aguinaldo organized a civil government which was recognized throughout the islands, and he was elected President of a native republic. July 25 General Merritt arrived with orders to set up a provisional government. Up to that time "General Aguinaldo" had been treated as a colleague: he was thenceforth ignored. When Manila was captured on August 13 he was not permitted to take part in the attack nor to occupy any part of the city. He wisely submitted, holding his army in check in the region around Manila. As the Spaniards withdrew their garrisons from the towns along the coast his troops occupied the positions. By the end of 1898 his authority was accepted in all the Philippines outside of the capital.

Aguinaldo and Dewey

The Filipinos awaited the fate of the treaty with much interest; for in it was the question of dependence on the United States or independence and self-

government. As the debate proceeded their army around Manila was in a tense state of mind and a similar feeling existed in the army of the United States. February 4, two days before the treaty was ratified, fighting actually began. Three or four natives were fired upon for refusing to halt when so ordered, as they approached the United States lines. The fire was returned and fighting became general. The battle that followed was the beginning of the Philippine War, which did not end until 1902.

War begins

The Filipinos fought in small bands and concealed themselves in jungles and hills. The whites pursued them into their hiding places, clearing up one province after another and establishing garrisons. Thus gradually but surely the native republic was subdued. To break down this kind of resistance the whites resorted to reconcentration, which we had denounced very bitterly when used in Cuba. But there was this difference: In Philippine reconcentration care was taken to supply good food to the victims and to give them proper sanitary conditions. In February, 1901, General Funston, with a body of native scouts, found and seized Aguinaldo in his mountain retreat. This event greatly weakened the resistance, which finally collapsed in April, 1902, with the surrender of General Mulvar. In this war were 1026 "contacts" and on our side the casualties were 245 killed, 490 wounded, 118 captured, and 20 missing. The known casualties on the other side were 3854 killed, 1193 wounded, 6572 captured, and 23,096 surrendered.

Conduct of the war

27. The Election of 1900

The war with Spain brought us much glory and little sorrow. It lasted long enough to boom business and not long enough to exhaust it. It came at the same time

as the development of the rich Klondike gold fields discovered in 1897. Gold now became plentiful, prices rose, farmers began to burn their paid-up mortgages, and the people in general forgot the hard times of Cleveland's day. The situation favored the Republicans. They renominated the genial McKinley and adopted a platform in which the strongest note was self-congratulation. The only incident that caused a ripple at the Convention was the selection of a candidate for the Vice-Presidency.

Prosperity and politics

Theodore Roosevelt returned from Cuba at the head of his Rough Riders with his brow wreathed in laurels. He and his men had fought well, the newspapers had done them full justice, and he found himself a popular hero. He reached New York just when his party, because of a popular revolt against the Platt machine, was seeking a reform candidate for governor. At the same time a group of independents were ready to bring out a candidate for that office. Each faction asked Roosevelt to lead it. At last he accepted the regular nomination, remarking that he was going to be a reform governor and hoped that all reformers would vote for him. At the polls he was successful by a fair majority.

Governor Roosevelt

Platt and his friends accepted Roosevelt with the idea that they could control him. They were astonished to find that he would have his own way, and Platt was most chagrined of all. The public enjoyed his disappointment, and Roosevelt grew in its favor. After a year and a half Platt was disgusted and made plans for nominating Roosevelt as Vice-President. He thought that if Roosevelt accepted he would be elected and shelved. On the other hand, if he declined the nomination he would destroy his influence in the party. In either case Roosevelt would

Platt's scheme

lose his hold on New York politics, which was Platt's chief purpose.

Roosevelt realized that a trap was being laid for him and did all he could to prevent it, but he did not dare go as far as an absolute refusal. Hanna, controlling the Convention in behalf of McKinley, was opposed to Platt's design. He said that it was sheer foolishness to take such action as to have "only one life between that madman and the Presidency." A large number of the delegates were pleased to offer Roosevelt any honor, whether he desired it or not. To these were added the delegates whom Platt and his friend Quay could control, and the total was large enough to override the desires of Hanna. After McKinley died, Platt claimed for himself that he "kicked Roosevelt upstairs into the Presidency."

Administration of Roosevelt

In the Democratic Party Bryan was as strong as in 1896. Free silver as an issue was dead, but the Western and Southern combination that brought him forward was as determined as formerly that the New York leaders should no longer dominate. He shifted his war cry into a challenge to the trusts and big financiers and he marshalled his followers for the coming battle. But with a strange facility for adopting an unpoplar idea he hit upon the opposition to expansion as the chief issue. The war was over, it had been fought with great satisfaction, and the Philippines were ours. Anti-expansion was not a live issue: at best it was only a protest. The country did not care for it, and Bryan, despite his many able speeches in the campaign, was defeated by an electoral vote of 155 to 292.

Bryan and expansion

McKinley's first term passed into his second with pleasant prospects. Victor in war and in politics, his

expansive nature gave him good will for all parts of the country. In the Spanish War he had been particularly impressed by seeing the men of the South, wearing the uniforms against which their fathers had fought in the sixties, now marching side by side with the sons of the men who had fought against the Confederacy. In his second inaugural address he said: "Sectionalism has disappeared. Divisions on public questions can no longer be traced by the war map of 1861." In a speech made in Atlanta some time earlier he had struck a popular chord in the South when he said that the time might come when the national government would help to care for the graves of the dead Confederate veterans.

McKinley and Sectionalism

Another expression of his broad outlook on the life of the whole people was seen in a modification of his tariff views. In a speech at Buffalo on September 5, 1901, he said: "We must not repose in fancied security that we can forever sell and buy little or nothing. If such a thing were possible, it would not be best for us or for those with whom we have to deal. . . . The period of exclusiveness is past. The expansion of our trade and commerce is the pressing problem. Commercial wars are unprofitable. A policy of good will and friendly trade relations will prevent reprisals. Reciprocity treaties are in harmony with the spirit of the times; measures of retaliation are not. If, perchance, some of our tariffs are no longer needed for revenue or to encourage and protect our industries at home, why should they not be employed to extend and promote our markets abroad?" This speech raised great expectations. McKinley, the champion of protection, was turning to world trade and it seemed that he was about to lead a movement for remodeling our tariff policy.

His new tariff views

Then, suddenly, came the stroke of the assassin which put an end to his life. September 6, the day after this remarkable speech was made. He was shot by a weak-minded blacksmith who had fallen under the influence of anarchistic preaching until he thought it a virtue to kill all rulers. The victim lingered eight days and died on September 14. Numerous bulletins from his sick room kept constantly before the people his brave struggle for life and the solemnity of his final moments. He died repeating, "Nearer, my God, to Thee"; and the country, forgetting political differences for the time, repeated the hymn in a thousand commemorating meetings.

Death of McKinley

CHAPTER IV

ROOSEVELT'S EARLY POLICIES (1901–1905)

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29. The Significance of Theodore Roosevelt

Two erroneous predictions

UNDER the shadow of the tragedy at Buffalo, Roosevelt announced that he would try to "continue absolutely unbroken the policy of President McKinley for the peace and prosperity and honor of our beloved country." To one of his friends he said: "I am no second Grover Cleveland. I admire certain of his qualities, but I have no intention of doing with the Republican Party what he did with the Democratic Party." He was doubtless sincere in making each of these statements, nevertheless he ended by doing just what he said he would not do. He did not

carry out McKinley's policies; and when he left office his party was as badly divided as Cleveland's in 1897. A man cannot escape his nature, and there was that in Roosevelt which made it impossible for him to walk in McKinley's footprints or keep the approval of McKinley's friends.

Roosevelt had to reckon with Hanna, who a year earlier had called him "that madman," and who, after McKinley's death, as before, was the keystone of the patronage, policies, and interests that held the party together. As Civil Service Commissioner Roosevelt had spent seven years fighting the spoilsmen, as President of the New York Police Board he had been given ample opportunity to see the weight wealth threw into the scales of justice in the courts, and as Governor for two years he had seen machine politics working in their most perfect form. All his instincts and training were opposed to Hanna's ideals.

Roosevelt and Hanna

Each man had many sterling qualities, and eventually each came to respect the other sincerely. But Hanna was satisfied with what existed, while Roosevelt had ideals for improved government and wished to get them put into practice. For example, since 1890 a law had been in the statute-books forbidding the organization of trusts; yet trusts were born weekly and lived in prosperity. This situation did not disturb Hanna. As the head of "business men in politics," he was looked up to as the protector of trusts against what he would have called "fool legislation." To Roosevelt it seemed intolerable that the law of 1890 was not enforced, since it was law.

Conservative and reformer

When Roosevelt became President the average citizen had become cynical about reform. He had seen so long the big corporations growing, in spite of the law, that he had come to believe it was useless to oppose

them. In Roosevelt he saw a man who had courage and persistence, whose earnestness was communicated to the people, so that they rallied to his standard, and their Slough of Despond became a field of hope. The seven years through which Roosevelt conducted the government were a period of awakening. While he did some important things and failed in much that he attempted, he nevertheless laid the foundations of reforms that others carried through to success.

Restores the hope of reform

At bottom he held that the government should mark out the limits within which business might be carried on. He did not support the theory previously held by most men that a man's business is entirely his own affair, to be run as he chooses. Neither did he hold to the idea that the state should own and operate business enterprises. His position was between these two. As the old competitive system seemed likely to disappear he sought to erect the supervision of the state as a means of preventing "big business" from tyrannizing over the public.

Government and business

Roosevelt was one of the few public men of his day who had a taste for good literature and companionship of scholars. His own scholarship, though not deep, was broad. He wrote books that appealed to a wide circle of readers, particularly works on nature and sports. He was born of an educated and comfortable family and went into politics for the good he could do. He did not forget that his higher endowment gave him higher responsibility.

A man of culture

He retained McKinley's cabinet in office and made them his friends. Among them were John Hay, Secretary of State, Elihu Root, Secretary of War, and Philander C. Knox, Attorney-General, all men of strong wills and minds. To them he added

His friends

William H. Taft, whom McKinley had sent to the Philippines to establish civil government. He found these men McKinleyites and made them Rooseveltians. Knox had been one of the mightiest corporation lawyers in the country. Under Roosevelt's influence he became the prosecutor of the trusts and laid the foundations of the great cases by which the Northern Securities Company was dissolved and several of the trusts put into a way of forced reorganization.

30. Roosevelt as Party Leader

Roosevelt feared

Roosevelt's assumption of power was observed by the people with varying feelings. His career as a leader of reform had made him a host of friends among those who wished the government brought back to the simple politics of other days. The financiers and other leaders of the business world, who under McKinley had recovered from the fright the free silver crusade gave them, now became anxious as they saw an unknown personality at the head of affairs in Washington. Political corruptionists, whom he had always opposed, were also alarmed. It mattered little that he announced that he would not interfere with business properly conducted and that it was only the corrupt political practices that he opposed. To "the interests" he was a mad upsetter of affairs, and they did not know what might happen. It was also his misfortune that he was misunderstood by the upright business men and politicians. In each class the good and the bad were apt to unite against him, which made it hard for people to obtain a just view of his purposes and achievements. He began his Presidency with a large mass of distrust to overcome.

His first efforts were directed toward winning the aid of Hanna. Between the two men cordial personal rela-

tions grew up, and each discovered the good in the other. Hanna did not approve of all of Roosevelt's policies, particularly of his attitude toward trusts; but he did not openly oppose him. In fact, Hanna's relish for political life shrank with the death of McKinley, whom he loved and for whom it was a pleasure to struggle. Nevertheless, as the election of 1904 approached Hanna, as leader of the conservative business men, found himself pushed toward a contest against Roosevelt for the Presidential nomination. What the result would have been we can not know; for death overtook him before the contest was fairly opened.

Roosevelt and Hanna

Roosevelt was careful to carry on the conciliation of the South initiated by McKinley. He let it be known that he would appoint federal judges in that section without regard to party, merely trying to get the best men. In many cases this policy would mean the appointment of Democrats. The announcement made him many friends in the South with the prospect that it would result in making converts for the Republican Party. Leaders of the Democracy were alarmed at this prospect and were in a state of mind to catch at anything that would give them an opportunity to make him unpopular in the South.

Roosevelt and the South

Such an opportunity came when he had Booker T. Washington, the celebrated negro educator of Alabama, as a dinner guest at the White House, October 18, 1901. This action would have offended the South under any circumstances, but coming when it did it brought forth an avalanche of criticism from Southern newspapers. Many Northern people felt that Roosevelt had acted thoughtlessly; but as the Southern onslaught became more and more violent there was a tendency to take sides with him and

Booker T. Washington incident

give up the sympathy first felt for the South. Roosevelt made no reply, and before his death he recovered most of his popularity in the South.

Next year, 1902, occurred the anthracite coal strike out of which he gained much popularity. Trouble began in May when the employers refused a 20% increase of wages demanded by the men. Throughout the summer the mines were idle and with autumn came a coal famine, so that the country fell into a panic. In a similar trouble in 1900 Mark Hanna had obtained peace by arbitration. He aimed to do it again and tried to bring together John Mitchell, President of the United Mine Workers, and J. P. Morgan, the banker most interested in the operation of the mines. He hoped that they would agree to arbitrate, but he failed, because the employers insisted that there was nothing to arbitrate. The employers believed they could stand a shutdown better than the miners. They also thought that the time had come when it was well to show that the miners desired to hold too much power. They proposed to teach labor a lesson and did not wish to be interfered with. Thus Hanna's hopes came to naught.

Anthracite coal strike

Roosevelt then took part, as representing the consumers, whose comfort and property were greatly affected by the conflict then pending. He called a meeting of representatives from each side and urged arbitration. The miners accepted but the owners refused. The employers even upbraided the President and demanded protection for their property. Then he felt that he had a right to use the power placed in his hands by the people to protect the interest of the people. He prepared a plan for a commission to investigate and report on the controversy and got Grover Cleveland to consent to serve on it. While this

Roosevelt's threat

committee acted, the Governor of Pennsylvania was to call on him for troops to preserve order. When the call came he would comply, take possession of the mines, and get out coal for the public. General Schofield, retired, was designated to carry the order into effect.

The prospect of such a procedure alarmed the mine-owners, and they suddenly changed their attitude and accepted arbitration. Thus ended the strike through Roosevelt's bold assumption of authority. The commission was appointed, however; and it decided for a 10% increase in the wages of the miners with a sliding-scale advance as prices rose. It was also provided that union and non-union labor should be treated alike and that the agreement should last for three years. As a result of this action the price of coal rose, so that Roosevelt's efforts to protect the consumer had the curious effect of putting an added burden upon him.

Mine-owners yield

Cleveland's idea of dealing with a strike was to protect the property of the employer and let the two sides settle their dispute by economic pressure. His way appealed to the employers; for they were the stronger in economic contests and were likely to win. In dealing with the anthracite strike of 1902 Roosevelt introduced a new principle. Acting, as he supposed, in the interest of the consumer he gave labor the full right to produce a deadlock; and by saying that such a deadlock should not be allowed to imperil the interest of the public, he made it impossible for the employers to win by putting economic pressure on the employees. He also was first to recognize the principle that government may intervene in a positive way to settle a strike. His labor policy has been imitated by most of his successors, although it

A new idea in strikes

was not followed by President Coolidge in the anthracite coal strike of 1925–1926.

Just after the strike of 1902 was settled the Congressional elections were held. Despite the strenuous efforts of the Democrats, the Republicans retained control of the House of Representatives; but their majority of 40 was reduced to 30. The election was considered an indorsement of Roosevelt's policies. In general, his course had been satisfactory. His one slip, the Booker T. Washington dinner, was forgiven in the North because of the excess of abuse heaped on him by the South. His frank assertion to both sides in the coal strike that they must settle their dispute and give coal to the people commended him to a large number of independent-minded people.

Roosevelt's net gain

31. Development of the Dependencies

In 1898 few people in the United States wished to think that Porto Rico or the Philippines would ever become states in the union, and for that reason these areas were not organized as territories. Their racial separateness, their remoteness from our continent, and their peculiar ideals seemed to warrant the belief that they could not be assimiliated into our population. At the same time it was conceded that they were or might be capable of self-government in local affairs, which was the same as saying that they should have the autonomy that Spain had refused them. For such government, under the protection of our flag, we used the word "dependency." We carefully avoided the word "colony," partly because it had unpleasant memories for us, and partly because most colonies are offsprings of a mother country, whereas these possessions came to us by conquest.

Dependencies

The status of the dependencies was the occasion of

much debate. On one hand it was claimed that "the Constitution follows the flag," meaning that as soon as territory was acquired the Constitution and federal laws applied to it of their own vigor. On the other it was held that the Constitution and laws did not apply to such inhabitants until extended to them by Congress. The procedure in Congress when we obtained Louisiana and Florida seemed to support the second of these views. The question had a vital relation to the operation of the tariff in the dependencies. Did they, on annexation, become free of the duties imposed by the tariff laws on goods imported from them to the United States? The answer to this question was found in what were known as the "Insular Cases," decided by the Supreme Court in 1901. To understand them we must understand certain acts of Congress relating to the importation into the United States of goods from the dependencies.

Constitution following the flag

April 12, 1900, Congress passed the Foraker Act, relating to Porto Rico. It declared the Porto Ricans "citizens of Porto Rico, and as such entitled to the protection of the United States." It also provided that a duty of 15% should be collected until March 1, 1902, on commodities brought from the island. The same kind of law was made for the Philippines. Collecting duties on goods from these islands shocked many persons. It was done to satisfy the protected industries in the United States, more especially the sugar growers, and the Supreme Court was called on to pass on the constitutionality of the matter.

Foraker Act

In the first case, De Lima *vs.* Bidwell, the Supreme Court held that merchandise from Porto Rico imported after annexation and before the Foraker Act was passed was not dutiable. It rested the decision on the wording of the tariff act, which de-

"Insular Cases"

cleared that duties should be collected on all articles from a "foreign country." Porto Rico, said the Court, was not a "foreign country" after annexation. In the second case, the "Fourteen Diamond Rings Case," the same kind of a ruling was made. The third case, Downes *vs.* Bidwell, referred to duties collected after the Foraker Act passed. It held that Congress had a right to impose duties against Porto Rico and any other part of the national domain not recognized as a state, although it cannot do such a thing against a state in the Union. These decisions meant that the Constitution does not follow the flag of its own vigor, but waits on the action of Congress to apply laws for the government of the acquired territory.

Porto Rican government

Other provisions of the Foraker Act created civil government in Porto Rico. It provided for a Governor and Council appointed by the President with the approval of the Senate. There was, also, a legislature with the Council for an upper house and a lower house chosen by the people; a Supreme Court with judges appointed by the President with the approval of the Senate, and other courts to be created by the island legislature. It was agreed that in time more complete self-government should be allowed to the island, and the "Organic Act of 1916" was passed for that purpose, which provided also that the inhabitants should be citizens no longer of Porto Rico only, but of the United States; and that the legislature should consist of two houses each elected by the people.

The problem of giving self-government to the Filipinos was made difficult by the existence of several distinct tribes speaking different languages and cherishing race enmities among themselves. The most important tribe was the Tagalogs, numbering 1,466,000 out of a population of nearly 8,000,000. They exceeded the

others in culture and in the will to dominate the islands. If left to themselves it was believed that they would establish a supremacy over the islands both political and economic. This possibility has weighed down our policy in the islands. Whatever the reasons why the United States should withdraw from the conduct of government there, it would be against the spirit of our promises to all the people if by so doing the large majority of the natives were left to the exploitation of the Tagalogs.

Philippine Commission

Immediately after the ratification of the treaty of peace, February 6, 1899, President McKinley sent out a commission with Jacob G. Schurman at the head to study the situation in the islands and to introduce civil government so far as it was possible to install it. When this commission reached Manila the tribes were at war against the United States and its labors went little further than to investigate actual conditions and report upon them to the government at Washington.

Taft Commission

A year later, 1900, a governmental commission was appointed, with William H. Taft at the head, with instructions to introduce civil government as far and as rapidly as possible. It was to admit the inhabitants to the conduct of local affairs and to organize provinces as condition warranted. The commission itself was at the top of the system with wide executive and law-making powers. It was directed to establish schools and create courts of justice. Provision was made that the language of the United States should be taught in the schools, and that the officials should be taken from the natives as far as possible. These instructions were written by Secretary of War Root after a careful study of conditions in the Philippines.

The next step in developing government for the Philippines was the Spooner Amendment to the Army Appropriations Bill of 1901, authorizing the President to create a temporary government. Thus empowered, McKinley appointed Taft Governor and made him with the other members of his commission a Council to assist him in governing. At the same time three of the ablest of the natives were added to the membership of the Council, in which they were a minority.

Spooner Amendment

Taft's first care was to establish local self-government in the provinces and also in subdivisions called municipalities, with councils chosen by the people. To them he committed matters of a local nature. Here the Filipinos had their first opportunity to learn lessons in ruling themselves. The suffrage for this process was awarded to persons who had held office in the islands, or owned a specified amount of property, or who spoke, read, and wrote Spanish or English. It was believed that experience in the municipalities and the spread of education would in due time make it possible to extend self-government to wider areas. While these changes were being made McKinley died; but Roosevelt gave full support to Taft in carrying them through.

Local self-government

July 1, 1902, Congress passed the "Organic Act" for the Philippines. It preserved the fruits of Taft's work and set up a more permanent form of government. Following the Porto Rico procedure, it made the inhabitants "citizens of the Philippine Islands, and as such entitled to the protection of the United States." It guaranteed to them most of the privileges guaranteed by the Constitution of the United States except the right of presentment by a grand jury and trial by a jury which are not consistent with the

"Organic Act"

Spanish law, on which the Philippine law is based. As soon as the war ended a census was to be taken and two years thereafter an election should be held for members of an assembly in which the Christian tribes should vote on the basis of the suffrage established in the municipalities — that is the smallest units of government. This assembly, sitting as a lower house, with the Council as the upper house, should be the Philippine legislature. The census was taken in 1903 and showed about 7,000,000 in the Christian tribes and 647,000 in the pagan tribes. Elections were held in 1907, and the Assembly chosen fell at once into the hands of a nationalistic party. The leaders of that party did not demand immediate independence but coöperated with the Governor and Council in passing laws for the development of the islands. Taft remained Governor of the Philippines until 1904 when he became Secretary of War, succeeding Root, who was made Secretary of State.

First Assembly, 1907

The natives, that is, the Tagalog ruling class, were disappointed that no larger share in the government of their own country was given them, and they likened themselves to the South when it was ruled by carpet-bag officials from the North. They gained larger influence with the triumph of Woodrow Wilson in the Presidential election of 1912. In 1916 a Democratic Congress passed the Jones Act, increasing the self-government of the Filipinos. It created an elected Senate to act as an upper house and took legislative functions away from the Council. Two commissioners were allowed to the Assembly to reside in Washington and represent the interests of the Philippines. Like the Territorial Delegates, they might sit and debate in Congress but not vote.

President Wilson's policy was well received by the

natives, and it served to foster their desire for independence. Persons connected with the Taft régime in the islands regretted this tendency and predicted that trouble would follow. When President Harding came into authority he sent General Wood and Lieutenant-Governor General Forbes to investigate and give advice on the withdrawal of the United States from the islands. They reported, 1921, that the natives were not ready for self-government and advocated the continuance of the existing system. In the same year Wood was made Governor of the Philippines. The natives were disappointed at the decision of the commissioners and continued to protest against the continuation of United States authority over them.

Wilson's Philippine policy

32. The Panama Canal

The expansions of the United States in the Pacific Ocean made it evident that an isthmian canal should be constructed to give a convenient water route, and most people in the United States thought it should be controlled by their government. In order to proceed with such a plan it was necessary to clear out certain obstructions that had grown up.

By the Clayton-Bulwer Treaty, made with Great Britain in 1850, we agreed that the two powers should join in neutralizing any canal that might be constructed between the Caribbean Sea and the Pacific. In the same treaty Britain gave up some claims to territory in Central America, which lay adjacent to one of the possible routes. Secretary Blaine, 1891, suggested that the joint guaranty no longer held; for the people of the United States were unwilling to build a canal which they could not fortify and otherwise control. Blaine's suggestion was not acceptable to Great Britain.

Clayton-Bulwer Treaty

While we hesitated, a French company was organized under the lead of De Lesseps, engineer of the Suez Canal. He got a charter from New Granada, now a part of the United States of Colombia; and in 1883 digging actually began at the Isthmus of Panama, which De Lesseps considered the best place for the canal. Much of the money subscribed by the French people for this enterprise was misspent, and in 1889 the company was bankrupt. It had paid out $118,000,000 for excavation, $19,000,000 for the Panama Railroad, and the remainder of its funds, $141,000,000, had been spent in Paris, much of it in extravagance and corruption.

French canal company

After becoming a bankrupt the French company was reorganized by some of its members and its charter extended to 1900. But nobody would invest more money in it and this venture failed. It next passed into the hands of a small group of speculators, who bought the franchise cheaply and proposed to carry it through to completion. Again it got from Colombia an extension of charter, this time to 1904. This last company did not expect to finish the canal, but to sell it; and as soon as the United States were known to contemplate building, they established a strong lobby in Washington to sell the charter and entire plant. In 1900 little work had been done in several years; a few men and horses were kept at work so that the charter should not lapse through *non-user*, but most of the French machinery was rusted beyond usefulness.

Speculators

The announcement that a French canal was to be built alarmed the people of the United States, and to offset it the Maritime Canal Company was established in 1889 to construct a canal through Nicaragua. It did not have the necessary funds but expected to get aid

from Congress. Disappointed in that respect it did little actual work; and eventually its charter was declared void by Nicaragua and a rival company was set up. In 1899, when the government turned its attention to a canal, both the French company and the persons interested in a Nicaraguan canal wished to sell their concessions, and each had its friends in Congress.

The Nicaraguan project

To decide on the better route a commission of experts was sent to Central America, and reported after careful examination on November 16, 1901. The Panama route, it said, was the best route for crossing the isthmus; but the price at which it was offered by its owners ($109,141,400) was too high. The commissioners did not think it worth more than $40,000,000. Under the circumstances they recommended that the Nicaraguan route be taken. In accordance with this report the House passed with two dissenting votes a bill to construct a canal in Nicaragua and sent the bill to the Senate. This step alarmed the French company which cabled an offer to sell for $40,000,000, whereupon the experts reassembled and changed their recommendation to favor that company. The Senate friends of Nicaragua made a stout objection, saying that the title of the French company was not good, but it was finally decided to authorize the President to buy that company for not more than $40,000,000, provided the government of Colombia would grant control of a canal zone not less than six miles wide on reasonable terms and in a reasonable time; if such a grant could not be obtained, the Nicaraguan route was to be accepted.

A canal site at a bargain

Meanwhile it had been necessary to get the Clayton-Bulwer Treaty out of the way. That was done by direct negotiation with Great Britain. The demonstra-

tion of our power at sea, and perhaps the realization of a formidable rival in Germany, made Great Britain desirous of establishing cordial relations with the United States. The Clayton-Bulwer Treaty was a source of irritation, it yielded no clear British advantage, and to give it up would please the people of the United States. Thus reasoned the British Foreign Office, with the result that Secretary of State John Hay negotiated a treaty with Lord Pauncefote, British ambassador, and got it signed February 5, 1900. It provided for a neutralized canal, to be constructed and managed by the United States. This treaty did not assert clearly the right to own and defend the canal; and the Senate would only ratify it with amendments more favorable to the United States. The negotiations were begun again, and a form was given to the treaty corresponding to the previous amendments. It expressly abrogated the Clayton-Bulwer Treaty and left the canal when constructed under the direct ownership and control of the United States. The principle of neutralization was nominally retained, but without the guarantee of any other power; and the right to fortify the canal was not denied. In this form the Hay-Pauncefote Treaty was acceptable and it was ratified by the Senate December 16, 1901. Thus, at the beginning of 1902 the Clayton-Bulwer obstacles were removed, the route had been selected, and the only thing left was to make arrangements with Columbia. This task was in the hands of President Roosevelt.

Hay-Pauncefote Treaty

Colombia had her own views about the canal. Realizing that the existing French company was only a group of speculators, and expecting the charter to expire and the property to revert in 1904, she occupied a point of advantage in any negotiations over the canal. If she chose to live up to her

Colombia's plans

opportunity fully she could refuse to ratify and delay matters until she held the property and got the money paid by the United States. It is not believed that she meant to go that far, but she probably expected to use her power to obtain the best possible terms.

To realize this design she began by refusing to sell any part of her domain. Herran, her chargé in Washington, was so informed. Nevertheless he negotiated the Hay-Herran Convention, by which the French company was permitted to transfer its rights and we were allowed to construct a canal and operate it for ninety-nine years with control over a canal zone six miles wide. For these concessions we were to pay $10,000,000 at once and $250,000 annually. This convention was ratified by our Senate but it was rejected in Bogota on the ground that Herran had exceeded instructions. It is believed that the Colombian leaders had in mind the sum of $25,000,000 as the amount they should get. They thought that by refusing to ratify and holding off a few years they would lose nothing, with a chance of gaining much.

Hay-Herran Convention fails

To President Roosevelt, now in entire control of our side of the business, this attitude seemed discreditable. He later said we were being held up by unprincipled men, acting for their pecuniary gain. To yield to such men he considered cowardly, and he refused to continue the negotiations. Perhaps the Colombians were not as culpable as he thought. They had the one canal site that he wished, and like clever traders they meant to make him pay well for it. They overlooked the possibility of a revolution in Panama, that component state of the Colombian federation in which lay the canal site.

Roosevelt's disgust

The people of Panama had long awaited the construction of a canal which would make their country the

cross roads of the western hemisphere, and they were disappointed when the Hay-Herran Convention was repudiated. A few of the more energetic formed a junta to make Panama independent. They sent an agent to New York to see if the owners of the Panama Railroad would furnish money to raise an army. The railroad owners did not dare become concerned in the movement, lest Colombia revoke their charter. But help was obtained from Philip Bunau-Varilla, one of the large owners of stock in the French company. He advanced $250,000 to the revolutionary junta on condition that he should be appointed first minister from the new government to Washington. The fact that he was not a citizen of Panama, nor even a resident, did not trouble him or the junta. He assured the junta that the United States Navy would give protection within forty-eight hours after a revolt began. How he could promise such a thing has not been explained.

Bunau-Varilla

The agent of the junta visited Roosevelt, who would not promise any help to the revolt but gave his assurance that he would recognize a *de facto* government. Bunau-Varilla also saw Roosevelt. There is no reason to believe that the President made any direct promises. To his intimates he admitted that he would be "delighted if Panama were an independent state" but that he would not say so openly. It is probable that the wily Frenchman read this desire in the frank face of the impulsive President.

Roosevelt's attitude

With their hands full of money the junta made active plans for the revolt. A force of one hundred men was raised, which shows how little the affair was a popular outburst. The leaders were discouraged and at the last moment refused to proceed unless assured of United States protection. Informed of their stand, Bunau-Varilla cabled that a ship-

Arrival of the *Nashville*

of-war would arrive at Colon in two and a half days. He knew that the *Nashville* had left Jamaica under sealed orders on October 31, 1903, and we are left to believe that he guessed her destination. When she did, in fact, arrive at Colon on November 2 the junta took it as evidence that Roosevelt was supporting them.

During the night of the same day a Colombian gunboat arrived at Colon with 450 troops to preserve order. They landed at 8:30 A.M. on the third and their commanding officers took train at once for Panama, where the governor lived. The troops remained in Colon under the command of a colonel. At 10 A.M. the commander of the *Nashville* received orders from Washington to keep transit open and to prevent the landing of any troops within 50 miles of Panama. The dispatch said: "Government force reported approaching isthmus in vessels. Prevent their landing if, in your judgment, the landing would precipitate a conflict." Other United States ships of war arrived and effectually prevented the troops that had landed from going to Panama where the revolt began in the afternoon of the third.

Theory of transit

This amazing order, sent by Roosevelt's direction, meant that Colombia was not to be allowed to put down the revolt in her own territory. It was defended on the ground of a treaty made by the United States in 1846 with Colombia in which we agreed to keep transit open on the railroad. On this interpretation of the treaty two observations are pertinent. Colombia could not have intended in making the treaty to sign away her right to preserve her authority in her own domain. Also, by refusing to let Colombia send her troops over the railroad, transit was, in fact, closed, and closed to the one who had the best legal right to keep it open, the Colombian Govern-

Significance of Roosevelt's action

ment. Roosevelt's crucial order won the independence of Panama. It was issued November 2, when it was believed that revolt was impending. Roosevelt must have known when he issued it that it meant the success of the revolution.

The day after the revolt began, a declaration of independence was made in Panama; two days later, November 6, Roosevelt recognized the Panama Republic and all the great powers followed suit in a week. On the same day Bunau-Varilla was appointed minister from Panama to the United States, on November 13 he was received by the President in Washington, and on November 18 a treaty was signed in the same city by which we acquired a canal zone ten miles wide and gave Panama $10,000,000 in cash and an annuity of $250,000, to begin nine years from date. We practically acquired a protectorate over the new republic and guaranteed its integrity; and the French company completed its sale to the United States for $40,000,000.

Treaty with Panama

Against these proceedings Colombia protested and filed claims which Roosevelt rejected. Colombia then asked that they be submitted to arbitration, and this request was rejected also. When Taft was President steps were taken to compromise the matter but they failed because Colombia would not abate her claims. In 1914 a treaty was negotiated by which we were to pay Colombia $25,000,000 but it encountered the opposition of Roosevelt and his friends and did not pass. One of President Harding's first official actions was to take up the treaty and to ask the Senate to pass it. Roosevelt was now dead and his friends modified their attitude. In fact, one of them declared in the Senate that Roosevelt before he died had come to believe that the affair ought to be settled.

Colombia's protests

Thus assured, the Senate passed the treaty by a vote of 69 to 19. Besides paying Colombia $25,000,000, we agreed that Colombian warships and troops should pay no tolls in the canal, and that Colombian products, citizens, and mail should pass through on the same terms as the products, citizens, and mail of the United States.

A diplomatic error

Thus in 1921 we did what we could to rectify the mistake made by the impetuous President in 1903. Had he been more patient he would probably have obtained what he wanted without giving the world an example of bad faith which tarnished for the time an enviable reputation for fair dealing. Convinced that we should have the Panama site, he found himself blocked by the Colombians, who, whatever their motives, were acting within their rights. Many of his friends, among them Mark Hanna, advised him to be patient; but patience was not one of his qualities. Bunau-Varilla understood his mind, and held out a dazzling bait which Roosevelt took in all sincerity. He never realized that a mistake had been made.

The canal later completed

The treaty with the Republic of Panama was ratified by the Senate on February 23, 1904, and Congress passed an act to put it into execution. After four years of preparation, excavation began on the canal site and proceeded successfully under the supervision of army engineers, the chief of whom was Lieutenant-Colonel George W. Goethals. In 1914 the work was complete and the canal was opened to traffic.

33. Roosevelt and the Monroe Doctrine

In his first annual message Roosevelt said that the Monroe Doctrine meant "that there must be no territorial aggrandizement by any non-American power on

American soil." In this utterance he planted his feet solidly on Cleveland's position of 1895. A year later the German Kaiser gave him the opportunity to put his ideas into concrete form. Venezuela had contracted a large amount of debts to foreigners and did not pay them. Among her European creditors the most important were in Great Britain and Germany, and in 1901 these two nations asked her to submit the claims to a mixed commission, but the request was refused. The next year a joint British and German squadron appeared in the Caribbean Sea with the avowed purpose of collecting the debts. Venezuela was alarmed and offered to accept arbitration, but the offer was refused. Then the squadron, December 9, 1902, seized the Venezuelan warships in the harbor at Caracas and threatened to blockade the coast. Four days later they bombarded the forts at Porto Cabello.

Foreign claims on Venezuela

Roosevelt watched these proceedings with great concern. He had reason to believe that Germany was the leader in them and satisfied himself that the British would not support her in an extreme course. He also learned that she intended to land troops and establish a strong place on the coast. In the German seizure of Kiao-Chau in China (1897) it had been announced that her action was "temporary"; but all her subsequent conduct had gone to show that she meant to stay. Roosevelt made up his mind that he would have nothing like this in Venezuela. First, he assembled the entire fighting fleet under Dewey in Caribbean waters and gave them secret orders to be ready to move at a moment's notice. Then he sent for the German Ambassador and told him he must have an answer to a request he had made for the arbitration of the Venezuelan affair. The Ambassador replied that

Roosevelt's warning

Germany would not arbitrate, and did not intend to take "permanent" possession of territory.

To this statement Roosevelt replied, "that Kiao-Chau was not a 'permanent' possession of Germany — that I understood that it was merely held by a 99 years' lease; and that I did not intend to have another, held by similar tenure, on the approach to the Isthmian Canal." He added that if he did not get assurances in ten days that no such course would be followed he would order Dewey to repair to the coast. Asked if he understood that his words were very serious he replied that he had given them full weight and if the Ambassador would examine a map he would realize that "there was no spot in the world where Germany in the event of a conflict with the United States would be at a greater disadvantage than in the Caribbean Sea."

A few days later the Ambassador called again in a spirit of confidence. He had taken Roosevelt's ultimatum for a bluff. Asked if Germany had replied to the former request, the Ambassador repeated that arbitration was out of the question. Roosevelt then observed that he should advance by twenty-four hours the time for Dewey's departure. Up to this point the Ambassador had conceived no great respect for the President and had informed his government that there was nothing to fear. But the last speech gave him real concern. He rushed off to some friends in whom he had confidence, and they told him that Roosevelt was in dead earnest. Deeply alarmed he explained the situation to Berlin and got an offer to submit the dispute to arbitration and requested that Roosevelt would be arbiter. He declined the request and had it referred to the Hague Tribunal. Later the German Ambassador was recalled and dismissed the service.

Germany retreats

The foreign claims against Venezuela were referred to a mixed commission. From all claimants they amounted to $38,155,000. When the commission sifted out the bad claims, they shrank to $7,685,000. If Germany had collected her claims by force it is likely that the excesses would have stood. Of all the claims submitted those presented by our own citizens proved most inflated. As presented they amounted to $16,282,000, and the commission allowed $462,000. In this affair Roosevelt did not justify Venezuela, whose unreadiness to pay her debts was evident.

Arbitration enforced

The incident raised the question: Shall the United States in enforcing the Monroe Doctrine protect a Latin American state from deserved punishment by a European power? To avoid such a course Roosevelt thought that we were justified in assuming responsibility. We might step in and prevent such a state from doing that which would invite interference in violation of the Monroe Doctrine.

Roosevelt's extension of the Monroe Doctrine

In his annual message of December 6, 1904, he asserted: "Chronic wrongdoing or an impotence which results in a general loosening of the ties of civil society, may, in America, as elsewhere, ultimately require intervention by some civilized nation, and, in the western hemisphere, the adherence of the United States to the Monroe Doctrine may force the United States, however reluctantly, in flagrant cases of such wrongdoing or impotence, to the exercise of an international police power." The idea that the Monroe Doctrine implies a duty of intervention was Roosevelt's distinct contribution to the growth of that doctrine. It is on that idea the whole Caribbean policy is founded, as carried out by Roosevelt and later Presidents.

34. The Election of 1904

When McKinley was elected in 1900 it was predicted that Hanna would be the next Republican nominee for the Presidency, and the prediction seemed reasonable. Then Roosevelt became President, and around his striking personality formed a group of followers determined to nominate him in 1904. Hanna did not try to build up an organized opposition to the President. He remained, however, the hope of the conservatives in the party, and, as the opening of the campaign approached, his friends began to talk freely of making him the nominee. The great trusts, whose power Roosevelt wished to reduce, the party bosses, whose toleration of corruption he opposed, and that large group of men who profited on the expenditures of government or the favors of politicians, were all against Roosevelt; and turned to Hanna in the belief that as President he would not trouble them as much as Roosevelt. Hanna said he did not want the nomination and he seems to have done nothing to get it; but his followers were in a fair way to place his name before the convention. February 15, 1904, Hanna died. His followers were in dismay and sought to combine on another candidate, but none was found who could hold out against Roosevelt. When the convention met in June he was nominated by acclamation.

Roosevelt nominated

The Democrats entered the campaign in a state of discouragement. Bryan was still at the head of the Western and Southern combination and could dictate to the convention. He did not believe he could be elected but was anxious that the nominee should be, like himself, in favor of restricting organized wealth. His opponents talked about the successful days of Cleveland and wanted to

Bryan and the Democrats

see them come back through the adoption of the "safe and sane" policies of olden times. But the party was divided more than in Cleveland's administration. The hatred of the old leaders for the Bryan group was only equaled by the hatred of the new leaders for the old.

The old group brought out Alton B. Parker of New York as candidate for the nomination. He was an eminent state judge and had not been a silver man. Bryan, twice defeated, was not in a position to raise strong objection. He contented himself with keeping his eye on the platform. Through his influence a plank repudiating free silver was rejected.

Parker, "safe and sane"

Next came the nomination of Parker on the first ballot. Bryan seemed to be satisfied with the attempt to nominate a "safe and sane" candidate. But his anger was aroused by a telegram from Parker saying that he was for gold, and if the platform as written was meant to tolerate silver he would decline the nomination. The indignant Bryanites declared, probably with truth, that if the telegram had been sent before the nomination was made Parker would not have been selected; and they charged him with bad faith. After some time the affair cooled off, and men tried to forget it. But to the stanchest Bryanites it was a stab at their leader, and in general, they gave Parker only a moderate support. The result of the election was the victory of Roosevelt, who received 336 electoral votes to the 140 which went to his opponent.

CHAPTER V

ROOSEVELT WITH A FREE HAND (1905–1909)

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36. A Four Years' Struggle

DURING his first term Roosevelt was not sure of his support in the country and hesitated to give full rein to his ideas of reform. But he was gradually building up a following of his own in Congress and in the country at large. His action in the coal strike of 1902 and in the Northern Securities Case of 1904 was taken to show that he was opposed to the unchecked use of power by the great corporations, and it made him popular. Added to this conviction was the favorable impression his outspoken and aggressive personality made on the people. The result was that he dominated the election of 1904 and won such a triumph that he had a right to feel that he could proceed safely with whatever program of reform he saw fit to adopt. He felt that he now had a free hand to carry out his policy.

Roosevelt's growing strength

His attack on "big business" brought him into direct conflict with the old theory of *laissez-faire*, which held that government should not interfere with the way a man conducted his own affairs. It embraced the assumption that the law of competition would be sufficient to keep prices down to a reasonable level. The whole nineteenth century accepted this view. It was woven into court decisions and made up the body of conservative thought in the world. Those who believed in it were horrified when it was questioned and pronounced the questioners radicals or socialists.

The old school

Roosevelt cared little for theories. A practical situation was before him and he tried to meet it in a practical way. Two specific cases illustrate his attitude. The Interstate Commerce Commission, created in 1887, remained too weak to act as a restraint

Roosevelt's purposes

on the railroads. It was clearly the desire of the people that the Commission should have more power, but a railroad lobby stood in the way. It was also the desire of the people that the Anti-Trust Act of 1890 should be enforced; yet trusts were more numerous than before it was passed. The plain citizen was beginning to lose respect for the law and its administration and becoming cynical about the government.

Roosevelt set out to enforce what he believed to be the will of the people. When he found that the politicians blocked his path he appealed to the people over their heads. He did some things that were not approved by all; but in the main he was trusted because he fought for the old habits of rule by the people, as defended by Jefferson and Lincoln. His efforts restored the faith of the cynical and revived enthusiasm for reform.

Roosevelt and the press

One of his characteristics was his personal relation with the press. Most of the city newspapers were opposed to his policies. Their owners were usually men of great wealth and resented Roosevelt's attitude toward "big business." Not discouraged he made friends of the reporters, especially the Washington correspondents, and tactfully gave them information that enabled the country to understand what he was doing. Thus he got the publicity he needed in the news columns of his adversaries' papers, despite the criticism of their editorial writers.

Machine politics

Roosevelt's policies were both political and economic. Under the first class may be placed his fight against political machines which had become powerful under the old convention system. He attacked them boldly and in some cases he broke their power. Under the existing system rings seemed the natural thing. In order to hold his own it was necessary to

build his own organization, so that a Roosevelt machine tended to develop in place of the defeated conservative machine. The rise of the nominating primary, which became notable in Taft's administration, lessened the power of the party organizations but did not abolish it. It simply made it less easy for the machine to defy the will of the people.

In the economic field Roosevelt's policies embodied such things as his attempts to strengthen the Interstate Commerce Commission; to enforce the law of 1890 against trusts; to restrain the manufacturers of impure food; to force the meat packers to operate under sanitary conditions; and to check the waste of our natural resources and develop them under government supervision. In working for these policies he encountered bitter foes among the conservatives. He left office with his party sharply divided into Conservative and Progressive wings.

Economic policies

37. Roosevelt and the Trusts

The President's efforts to curb the trusts was nicknamed "trust busting." It was expressed in his efforts to enforce the act of 1890. He did not think that law perfect, and he did what he could to get it modified so that a distinction could be made between good and bad trusts. The bad trusts he would destroy or reform; and the good he would allow to exist, but under some kind of government supervision.

His first move was to ask Congress in 1902 to create a Department of Commerce. He proposed to make it an office to keep watch over the conduct of business. Congress was not willing to go that far, but it created a Department of Commerce and Labor and within it a Bureau of Corporations, at the head of which was placed James H. Garfield, son of the former President.

This bureau sent out a large number of agents to collect evidence bearing on the practices of the trusts. Their reports proved that the act of 1890 was being violated; and on the basis of this information indictments were prepared and suits brought for dissolution.

Neither Harrison, Cleveland, nor McKinley showed special desire to enforce the law of 1890. Such suits as occurred were brought rather gently, three under the first of these Presidents, two under the second, and one under the third. The decisions in all these cases indicated that the Supreme Court was not in sympathy with the attempt of Congress to restrict the trusts, and the number increased rapidly. In 1897 the country had 82 of them; by the end of 1903 there were 236.

Trusts before the courts

The most notable court case (1895) was that in which the Knight Sugar Company, was charged with being a combination in restraint of trade. The Anti-Trust Act rested on the authority of Congress to regulate interstate trade: but the court now held that the combination in question was not formed to influence trade but to organize certain manufactures; and they did not admit that the interstate-commerce clause of the Constitution included manufacturing. Since the Knight Sugar Company was a manufacturer the court dismissed the suit. The trusts took heart and the movement to increase their number gained strength.

Knight case

Two years later came the case of the Trans-Missouri Freight Association, in which the court held that the words in the act of 1890, "combinations in restraint of trade," should be taken literally. Since all combinations restrain trade in some sense, the inference was that all were forbidden, which made the act so broad that it was futile. Judge Edward D. White

Trans-Missouri case

and three other justices signed an opinion in which they urged that the intent of the law was to forbid monopolies and that the "rule of reason" should be followed in defining a combination in restraint of trade. This dissenting opinion attracted wide attention and received much commendation in the country.

United States Steel Corporation

The process by which trusts were created may be seen in the story of the formation of the United States Steel Corporation in 1901. Eight of the principal iron and steel companies of the country entered into the combine. Strongest of all were Andrew Carnegie's mills at Homestead, Pennsylvania, so strong, in fact, that they were necessary to the success of the enterprise. Carnegie knew his advantage and made a hard bargain. He received $418,000,000 in bonds and common and preferred stock in the new company, which was far in excess of the replacement value of the plant. The other companies valued their plants at very excessive figures, and the syndicate of bankers who advanced $25,000,000 in cash to float the enterprise received large quantities of stock above the money actually furnished. The total capital was $550,000,000 in preferred stock, and a like sum in common stock, besides $304,000,000 in first mortgage bonds. It was believed that all of the common stock and a part of the preferred was "water."

Marketing "watered stock"

To "make a market" for this stock now became a chief concern of its owners. Under careful management it was placed on the market at a stated price and maintained there for some time. As it gradually passed into the hands of the small investors it left the cash received in exchange in the hands of those who sold the stock. Steel common experienced a decided drop in the panic of 1903 but it recovered in time and eventually sold above par.

The profit from the watered stock was the chief inducement for organizing the trusts.

So profitable was the process that many trusts were formed and large quantities of stock were offered for sale. In 1903 the market was glutted with such securities and the panic was the result. It was soon over but it hit hard some of the great speculators, so that it was called "the millionaire's panic." When a newspaper said it was caused by "undigested securities" James J. Hill, of Minneapolis, remarked that it came from "indigestible securities." This reaction did not stop the creation of trusts: it merely showed that it was unwise to launch them faster than the public could buy their securities.

While the panic of 1903 was receding, and the trust magnates were beginning to feel easy again came the decision of the Supreme Court in the Northern Securities Case. James J. Hill owned the Great Northern and the Northern Pacific Railroads extending from the Mississippi to the Pacific Ocean. Desiring a connection into Chicago he bought a controlling interest in the Chicago, Burlington, and Quincy. He then formed the Northern Securities Company, a holding company, to take over and control the stock of the three roads. This action was contrary to the laws of Minnesota, where he had headquarters, but he got a charter from New Jersey, a common practice with the trusts. The Minnesota authorities appealed to Roosevelt to stop the company under the act of 1890. Suit was accordingly brought in the federal courts to dissolve the Northern Securities Company and (March 14, 1904), the Supreme Court, by a vote of five to four of the justices, decided that the company violated the act of 1890 and ordered dissolution, the stock to be handed back to the original owners.

Northern Securities dissolved

This decision fell on James J. Hill like a thunderclap. He had every reason to believe himself a public benefactor. He had built railroads in unsettled places and towns and cities had sprung up. He had strangled no one by greedy monopoly. His plans had been made for completing a great railroad system. He thought it unfair for the government to say that he could not build up his system beyond a fixed point. The reply to his objections is in the nature of the case. The law was made to prevent abuses that had been committed by railroads, and he was the victim of its universality. But from the Rooseveltian point of view the law itself needed amendment, since it was so made that it bore hard on the good as well as the bad. However that may be, the decision of the court, aimed at big business in its most conspicuous form, had the effect of making the people believe that the trusts could be brought within the law.

Hill and Roosevelt

In the same year, 1904, suit was brought against the General Paper Company and in 1905 it was won by the government. In this suit much influence was exerted by the press; for the "paper trust," as the company was called, was opposed to the interests of the newspapers. Suit was brought also against the so-called "beef trust" in 1905 and seemed in a fair way to success when the judge dismissed the case because the packers had given evidence tending to incriminate them. He held that by so doing they had won immunity. This decision was received with suspicion by the public, which is ever impatient of legal technicalities.

The "Paper" and "Beef" trusts

Roosevelt's greatest success against the trusts was in suits begun by him but won under his successor. Among them were the cases of the Standard Oil Company and the American Tobacco Company, both de-

cided in 1911. The Standard Oil Company was a holding company, by which the Standard Oil Company of New Jersey bought a number of other companies, all of which were still intact. The court held that the combination was contrary to the act of 1890 and ordered it to dissolve in six months. In the case against the American Tobacco Company a similar decision was given; but the process of dissolving was more difficult, because this company had exchanged its stock for the stock of the constituent companies, which stock had been transferred freely in the market. It was, therefore, impossible to hand back to the original owners what had been received from them when the trust was formed. The situation was aptly described in the remark that "You cannot unscramble an egg." The court solved the difficulty in an arbitrary way. It lopped off thirteen companies from the American Tobacco Company, three of them large enough to be competitors, and the others small subsidiaries.

Standard Oil and Tobacco trusts

When this case was decided, fourteen years had passed since the court decided the Trans-Missouri Case; Justice White was now Chief Justice, and the other justices had been changed except one. The decision reflected these changes, and it was in accord with the dissenting opinion of 1897. It followed the "rule of reason" and declared that the intent of the law was to forbid monopolies, and that combinations that were monopolistic were illegal. The decision permitted trusts to exist when they were not monopolistic. It implied a recognition of good and bad trusts, which was the position Roosevelt had taken. The influence of the decision was manifest on a suit then in progress to dissolve the United States Steel Corporation. This trust prided itself on its general fair dealing

"Rule of reason"

with competitors and offered evidence to show that it had not distressed its competitors. After remaining in the courts a long time the case was won by the company in 1920 on the ground that the company was not proved to have been formed in restraint of trade.

38. Roosevelt and the Railroads

When Roosevelt became President, the Interstate Commerce Commission was fourteen years old. It could do little more than investigate and publish its findings, and its chief service was its influence on public opinion. Its decisions were freely appealed to the federal courts, which seemed to be unfriendly to its activities. Its cases were not tried promptly, and in general the courts would not accept its decisions of fact but went through the evidence again and often reversed its decisions. Thus the Commission was flouted by the railroads and patronized by the courts. Meanwhile, the evils it was created to destroy went on without restraint. Rebates were offered, discriminations were made, announced tariffs were disregarded, and cut-rate competiton persisted. Perhaps in no branch of business did a worse state of ethics exist than in railroad operations at the close of the nineteenth century.

Interstate Commerce Commission

The causes were fundamental: More roads had been built than the country needed at the time and promises had been made to eager speculators that were not fulfilled. Two roads often served areas in which was no more business than would support one. Some railroads were in the hands of directors who speculated in the securities and paid dividends that were not earned, in order to influence the sale of securities. Sometimes they would "reorganize" a road and issue "watered" stock and then "make a market" for

Grounds of criticism

it at a profit to themselves. The majority of the railroad men disapproved of such practices, but there were enough who did not object to keep the situation in a state of doubt. These conditions called for improvement and Roosevelt early decided to attempt it.

His first achievement in this field was the passage of the Elkins Act of 1903, aimed at rebates and privileged rates. The railroad owners realized that rebates were bad for them and supported the bill which Roosevelt carried through Congress. Without their help it hardly could have passed. A clause prohibiting free passes in interstate traffic was a disappointment to the many politicians, who enjoyed that privilege. It weakened the hold of the roads on Congressmen and thus made easier the passage of other reforms, which was more than the roads had expected. The Elkins Act also dealt with inequalities of rates and forbade departure from published schedules. The decision in the Northern Securities Case further strengthened the hands of the government in dealing with railroads. Thus, by 1904 Roosevelt had well established his policy of bringing the railroads more fully under government control.

Elkins Act

In his annual message of that year he supported clearly the rate-fixing power for the Interstate Commerce Commission. In the short session that followed Congress did nothing, but the next session took it up with great earnestness. The House readily passed the Hepburn Bill by a vote of 346 to 7. In the Senate, where most of Roosevelt's measures met their strongest opposition, it was held up by a group of Senators aided by a powerful lobby. After a spirited debate and the adoption of several amendments it passed the Senate in 1906, only three members recording their votes against it.

Hepburn Act

Its chief provisions were as follows: The membership of the Interstate Commerce Commission was enlarged from five to seven. The Commission was given authority over interstate pipe lines. It was to inspect the accounts and records of the roads. It fixed the punishment for rebates and other violations of the law. It forbade a common carrier to carry for hire any commodity produced by itself, except lumber. This clause was aimed at roads in the coal mining business. It authorized the Commission to fix maximum rates and regulations when complaints were made against existing rates. This clause was vigorously resisted by the roads who got a clause included permitting appeal from such a decision to a federal court.

The Hepburn Act was probably the most important actual achievement of Roosevelt. It raised the Interstate Commerce Commission from weakness to strength. It ended a long fight and established the principle of government regulation of big business. For his part in passing it Roosevelt was called a radical; but he had the support of a great majority in and out of his own party, who believed that he was trying to solve a most difficult and important problem.

Effects of regulation

The act of 1906 was not all that Roosevelt wanted. It left the Commission hampered by the wide privilege of appeal and by other restrictions favoring the roads. The result was another struggle, and out of it came the Mann-Elkins Act of 1910. Although passed after he went out of office, the bill was inspired by Roosevelt, and drawn by Wickersham, his Attorney-General. It provided for a Commerce Court to hear appeals from the Commission, but with ultimate appeal to the Supreme Court. It added also, some important powers to those already granted to

Mann-Elkins Act

the Commission. The Commerce Court proved short lived. Its decisions were treated with little respect when appealed, and in 1912 Congress refused to vote the money for its continued support. The Mann-Elkins Act of 1910 was the last important railroad legislation before the World War precipitated a crisis in railroad relations.

39. Safeguarding Food

Another field in which Roosevelt was able to bring big business under the operation of government supervision was the manufacture of food and drugs, and the packing of meat. In 1906 appeared a novel by Upton Sinclair, *The Jungle*, in which shocking conditions were depicted in the Chicago slaughter houses and meat packing factories. The places were described as filthy, unsanitary, and filled with the germs of disease from persons who were themselves infected. The book made a deep impression on the public which demanded that conditions be investigated. For that purpose Roosevelt appointed a committee which visited the packing houses in all parts of the country and made a report confirming Sinclair's charges. Supported by this report the President sent a special message to Congress with recommendations of enactments, with the result that the Meat Inspection Act of 1906 was passed. It contained regulations of a sanitary nature under which the packers were to carry on their business, provided a system of inspection, and required that the contents of packages should be true to label.

The Jungle

Meat Inspection Act

In the same year, 1906, Congress was asked to pass a bill to insure the purity of food. It was designed to prevent the manufacture, transportation, and sale of "adulterated, or misbranded, or poisonous, or deleteri-

ous" food and drugs. The bill was designed to break up practices that were widespread and a powerful lobby opposed it in Congress. To pass it Roosevelt used all the power he had, and the experts of the Department of Agriculture were of much assistance to him. Its execution was resisted by the food manufacturers in every way possible, and it was with difficulty that it was at last operated smoothly and without friction. Some years later Senator Norris, of Nebraska, in his True-to-Label Bill, tried in vain to get the principle of this law extended to all other manufactured articles.

Food and Drug Acts

40. Roosevelt and the Labor Problem

In the first decade of the twentieth century it was commonly accepted that the controversy between labor and capital was a matter between themselves with which the government had nothing to do. When a strike occurred the government would interfere to preserve order, or to see that the mails were not obstructed. It is now an accepted principle that a great strike is more than a private affair, and that it has such an interest for the public that the government is justified in taking steps to prevent or settle the disturbance. The first appearance of this view was in 1888 when Congress passed a law for the arbitration of disputes between interstate railroads and their employees.

The act proved a dead letter, and in 1898 another, the Erdman Act, was passed. It provided that in disputes between railroads and their employees either side might ask the chairman of the Interstate Commerce Commission and the United States Commissioner of Labor to act as mediators. It did not compel either party to arbitrate: it only offered a

Erdman Act

means of arbitration which might be used if desired. From its passage in 1898 to 1907 only one effort was made to call it into use. But from 1907 to 1913 it was appealed to 61 times, and 40 controversies were settled under its provisions.

The Erdman Act was a very weak assertion of public authority in labor disputes. As the people got used to its operation they became conscious of the desire to have it strengthened, and thus it became possible for Congress to pass the Newlands Act of 1913, which was a more effective measure. It authorized the President, with the consent of the Senate, to appoint a Board of Mediation and Conciliation to try to settle such disputes. The Board had more power than could be exercised under the Erdman Act, but it did not have the right to administer compulsory arbitration, the goal to which many people thought that legislation should lead. The Erdman Act was passed before Roosevelt became President and the Newlands Act after he retired, but he supported the spirit that prompted the passage of each measure. In general he showed a strong sympathy with labor. In the anthracite coal strike of 1902 his settlement of the dispute was a gain for labor. He avowed belief in the doctrine, all important in labor's argument, that a labor dispute differs from other disputes because it involves the conditions of human living. He believed in labor unions and thought that labor should have a liberal share of the profits of industry.

Newlands Act

It was in his administration that the Danbury Hatters' Case came up. The hat employees of Danbury, Connecticut, organized a boycott against a prominent firm of manufacturers who had declared for open shop. The company applied for an injunction against the boycott, pronouncing

Danbury Hatters' case

it a combination in restraint of trade and contrary to the Anti-Trust Act of 1890. The Supreme Court sustained this view after much litigation and gave the company the right to sue for damages against the hatters' union. Such a suit was brought and judgment for $222,000 was obtained against the union. As the union was not a chartered corporation an attempt was made to collect by levying on the property of its members. The court ruled that the individual members were not liable for actions of the union officials. Suits were then brought against 186 individual members of the union and verdicts were obtained by the company and finally collected. The case attracted a great deal of attention, and it was significant in modifying the use of the boycott.

Bucks Stove case

In the Bucks Stove and Range Case, begun in 1907, the Anti-Trust Act of 1890 was invoked again, and successfully, in labor disputes. It was brought to restrain a labor journal from publishing the name of the Bucks Stove Company in its list of firms that laboring men ought not to patronize. The lower court held that such publication was a conspiracy in restraint of trade and violated the act of 1890. The decision was appealed but the case was settled out of court before a final hearing was held.

Labor and politics

These two decisions alarmed labor leaders and they turned to the political parties. In 1908, when Taft and Bryan were the leading Presidential candidates, they asked each party to define its position on labor. The reply of the Republicans was considered vague. The Democrats, a little more specific, said that injunctions should not issue when they "would not issue if no industrial dispute were involved," which seemed to mean that they should not be used in strikes. The labor leaders accordingly an-

nounced that the Democrats favored labor more than the Republicans and urged their followers to support Bryan. The signal defeat of the Democrats in that election suggests that the labor leaders could not carry the laborers with them.

In 1906 Congress under Roosevelt's influence passed what was known as the first Employers' Liability Law. It fixed the responsibility of interstate railroads for accidents to their employees. Two years later the Supreme Court declared the act unconstitutional because (a) the interstate commerce clause of the Constitution does not apply to employers and employees; and (b) the act does not distinguish between interstate and intrastate employees. Roosevelt was not discouraged. A new law was passed in 1908, free from the points to which the court had objected, and since then it has remained unassailed.

Employers liability

Roosevelt was also concerned about child labor and supported a law to forbid it in the District of Columbia. In 1906 he urged a bill to prohibit the transportation by interstate carriers of articles made in plants employing children. The bill, defeated at that time, was passed in 1916, only to be declared unconstitutional by the Supreme Court on the ground that the interstate commerce clause of the Constitution did not justify a law regulating labor.

Child labor

41. Roosevelt's Conservation Policy

The Homestead Act of 1862, which authorized the gift of farms to actual settlers, provided that forest and mineral lands should be sold at prices which were believed to conform to their values. No attempt was made to reserve the undiscovered mineral resources when the land was sold, with the result that vast coal deposits passed into

Mineral and timber lands

private hands for a song, or for nothing. The Land Office was notoriously mismanaged. It was beset with "timber thieves," who had many ingenious ways of getting timber without paying for it. The result was that the government was often defrauded and the timber resources of the nation were often wasted.

Roosevelt's policy

For many years before Roosevelt was President this state of affairs was well known, but not many efforts were made to improve it. It was to his credit that he formed plans for a remedy and fought hard to carry them into operation. He encountered strong opposition from persons whose interests had grown up around the existing system, but did not yield to the opposition. Despite its vigor he got some reforms through Congress, and he wakened a large interest in the country for the conservation of natural resources. His policy in this respect may be taken up in four parts: (a) the preservation of the forests; (b) the reclamation of arid and swamp lands; (c) the development of inland waterways; (d) the utilization of water power.

Destroying the forests

In the beginning of our history the settlers had more forests than they needed and to get rid of them was a chief labor of the farmer. Under such conditions nobody valued a tree. A hunter might sacrifice half a dozen in a night to get the game his dog had treed. The rapid growth of cities made a vast demand for lumber, and as the nineteenth century neared its end it became evident that the day of waste must give way to well considered efforts to save the forests. It was urged that they preserved the watersheds, which in turn kept the rivers supplied and enabled them to keep water power effective and to serve as means of transportation.

Forest preservation by the national government be-

gan in 1891 when Congress, at the suggestion of President Harrison, authorized the President to set aside parts of the public lands as forest reserves. It was in compliance with this law that the Yellowstone National Park was created. A second step was taken in 1897 when a Division of Forestry was created in the Department of Agriculture, and next year Gifford Pinchot, trained in European schools of forestry, was placed at the head of the bureau. He had been in charge of the beautiful Biltmore estate in North Carolina where he had trained a number of assistants whom he took with him to his new field. He was badly hampered in this work because he was not given charge of the lands. They were retained under a separate bureau in the Interior Department and he had to be content with training men in forestry. He had foresters but no forests.

Forest preservation before Roosevelt

It was in this period that Roosevelt became interested in forest preservation and a firm friend of Pinchot's. In 1905 he induced Congress to create the Forestry Service with direct control over the forested public lands. That done he placed Pinchot in charge. Then began a strong policy of forestry. From Harrison to McKinley 45,000,000 acres were withdrawn from sale and placed in reservations. Under Roosevelt 148,000,000 acres were withdrawn. When he went out of office in 1909 most of the large forests in the Far West had been set aside for the use of the future.

Roosevelt's Forest reserves

All this was done by the President's authority as chief executive. President Taft, Roosevelt's successor, had doubts about the power of the President in such a case; and in 1910 he got Congress to pass a law specifically empowering the President to establish forest reserves. That done, he

Taft and the Appalachian Reserve

set aside vast reservations, including most of those created under Roosevelt. Under him Congress appropriated $2,000,000 a year for four years to buy lands for permanent parks in the Southern Appalachians and the White Mountains. This enterprise was begun principally to make safe the headwaters of the rivers that rise in the Appalachian Mountains. Under the original appropriation 1,285,000 acres were set aside, and certain smaller tracts were acquired afterwards. It is estimated that the area that should be set apart to protect the Appalachian rivers is 7,000,000 acres.

In its first stage, irrigation in our arid West occurred in small plants owned by private companies. Between the owners and the users of water, disputes frequently arose, partly because few of the former had the money to build plants large enough to meet the demands and wait for the growth of settlements to make the investment profitable; and partly because they were monopolies by nature and incurred the hatred that most of the people feel for those who hold monopolistic power over them. After some years of such experience it became evident that the coöperative ownership of the plants was the only way to keep free of disputes.

Early irrigation

It also became evident that the best way to build the plants was through government aid with gradual purchase by the users. Accordingly, Congress took up the subject in the Carey Act of 1894. Congress was not willing to have the federal government go directly into the process of building the works. The act provided that the public lands that were to be used for such purposes were to be turned over to the states, which in turn were to create irrigation companies and sell the land to the users with effective regulations to prevent overcharges for water. Under

Carey Act

this act a large quantity of arid land was brought into production.

Newlands Act

The Carey Act did not entirely solve the difficulty; for it made it necessary to employ such private companies as the state might create. These companies had not the necessary capital, and it was hard to get the states to borrow it. A group of Congressmen from the Far West, led by Francis G. Newlands, of Nevada, formed a plan for the federal government to stand in place of promoter. The result was the Newlands Reclamation Act of 1902, providing that the proceeds of the sale of arid and semi-arid lands in sixteen specified Western states and territories should pass into a fund to construct irrigation plants. The water users were to repay the cost of construction in ten annual payments, after which they were to take over the management of the plants and maintain them for the future. Money paid in above this amount should go into a revolving fund for the future development of irrigation. Water rights should be sold only to owners of 160 acres or more, who resided on their lands.

Progress under Newlands Act

Under this act have been constructed several large dams, as the Pathfinder, the Shoshone, the Roosevelt, the Engle, and the Loguna. Much land has thus been made available for settlement and much actually settled. In order to make the experiment a success the government has placed expert agriculturists at the plants to instruct the farmers and market experts to help them in marketing their crops. In 1920 the area under successful irrigation in the United States was 19,191,716 acres, whereas it was 7,744,467 acres in 1900.

As a balance to irrigation in the arid West much was said about draining swamp lands, most of which

lie in the East and South. The talk resulted in little actual progress. The only national appropriations made for this purpose were in small sums to enable the Department of Agriculture to make surveys which might serve to show what were the possibilities in the problem.

Swamp lands

Roosevelt's efforts to develop inland waterways had little success. The depletion of the coal supply and the rising price of fuel caused people to think of water routes for inland freight. The President alluded to the matter in several of his messages. To build up such a system of transportation would lessen the business of the railroads and they did not support his suggestions. Congress thus proving unresponsive, Roosevelt appointed (March 14, 1907) an unpaid Inland Waterways Commission to make a report on the general situation. He hoped thus to arouse public opinion so that Congress would feel obliged to do something. The report, made in 1908, was all that was hoped for, but it fell on deaf ears in Congress. At that time Roosevelt was nearing the end of his power. Congress feared him no longer and his enemies in that body were treating him with defiance. They were in no frame of mind to take up any more of his conservation measures.

Inland waterways

Even less was done in regard to the protection and development of waterpower. It is estimated that in the United States the waterpower in use amounts to 6,000,000 horsepower, while the total amount in the country is about 100,000,000, a considerable part of which, however, cannot be utilized. By giving waterpower a place in his conservation program Roosevelt called the attention of the people to its importance. It remains to be seen when the government will become convinced of the necessity of

Water power

taking steps to do what it can to promote the development of this vast natural force.

Conservation came to Roosevelt by way of forestry and irrigation. It was only after he became interested in these two important phases that he concluded to give himself to the promotion of all the others. Accordingly, and at the suggestion of the Inland Waterways Commission, he called the first Governors' Conference in 1908, the purpose being to consider conservation in general through the cooperation of state and federal governments. The meeting of the Governors in the East Room of the White House, with the President of the United States in the chair, made a profound impression on the country.

First Governors' Conference

Its recommendations were addressed to Congress, Legislatures, and the people at large. They included the protection of rivers, thereby controlling the watersheds; the prevention of forest fires; the regulation of timber cutting; the sale of the surface of the public lands separate from the minerals underneath it; the retention of deposits of coal, oil, gas, and phosphates by the government, with operation under lease by private agencies and under government regulations; and the appointment of conservation commissions in and by the states.

Shortly after this conference adjourned Roosevelt appointed a National Conservation Commission of fifty members, one from each state and territory. The commission made a comprehensive report in 1909 which is a mine of information about the national resources in minerals, forests, water, and soils. A second Conference of Governors met in 1909, but at that time interest in conservation was waning. In March, 1909, Congress refused to continue the

Conservation Commission

appropriation for the Commission and that body ceased to exist.

Opposition to Conservation

The preservation of the forests was popular in the parts of the country which had already cut away their timber and sold it. It was unpopular in the parts which still had forests. The people of these newer regions, particularly in the Far West and on the Pacific Coast, felt that their interests were sacrificed for the people of the East. The price of lumber was high. Large profits awaited them if they could get the timber lands, cut off the timber, build towns, and develop railroads. To be told that they must preserve their timber for the older parts of the country or for posterity seemed to them sheer favoritism. Most of these people were supporters of Roosevelt in general, but they objected to his conservation policy.

42. Far Eastern Diplomacy in Roosevelt's Time

Hay's "Open Door"

For the beginning of this phase of Roosevelt's administration we must go back to the "open door" policy of John Hay. Just at the close of the nineteenth century Germany, Great Britain, Russia, and France established "spheres of influence" in China which seemed the beginning of a partition of that Empire. In 1899 Secretary of State Hay, fearing that if the process were not checked our trade would be restricted in these "spheres of influence," sent notes to Great Britain, Germany, and Russia asking them to agree to the following principles: (1) A "sphere of influence" should not interfere with previously existing rights of other powers in treaty ports and elsewhere. (2) The Chinese tariff should continue and be collected by Chinese officials. (3) No discrimination should be made in railroad rates

or port duties in the "spheres of influence." Similar proposals were later made to France, Italy, and Japan.

All the powers acknowledged the notes but Great Britain alone expressed willingness to accept the suggestions. All, however, gave a general assent to the spirit of the policy and Hay boldly took this attitude as approval of what he called the "open door" policy. The powers seem to have felt that he took too much for granted, but they did not feel like saying so, and consequently the "open door" policy obtained a kind of sanction. The suggestion of the policy called the attention of the world to the grabbing process in China, it elicited the support of small states, and it made China realize that the United States was friendly to her integrity.

Boxer Outbreak

The advance of foreign influence in China aroused the opposition of many Chinese, and a secret society was organized to combat it. To disguise its objects it called itself the "Boxers." The Chinese government, while keeping a friendly face for the foreign nations, did little to restrain this movement, which eventually controlled the entire country around Peking. A United States relief party that started for the Chinese capital was repulsed, and shortly afterwards the Chinese government ordered the foreign diplomatic representatives to withdraw. June 20, 1900, the German minister in Peking left his legation to lay a protest before the foreign office and was attacked by the mob and killed. Conditions now became worse than ever. The "Boxers" held most of the city and the diplomats fortified themselves in the British legation, where they stood siege until relief came on August 14.

In the outside world the fate of the legations in

Peking caused much anxiety. A composite force of Japanese, Russian, British, United States, and French troops was organized at the coast and set out to relieve the besieged diplomats. As it neared the capital the imperial government fled, the city was occupied, and the members of legations were released uninjured. Now arose a cry for heavy damages for the losses sustained and the insult offered to the flags of the foreign nations.

Joint expedition

John Hay realized that if the powers dealt separately with China each would make excessive demands and bully her into compliance. He induced the powers, therefore, to agree to joint negotiations for settlement. He then took a strong position for the "open door" and the territorial integrity of China and was able to get the powers to accept his principles in substance. As finally arranged China paid $333,000,000, of which sum the United States received $24,000,000. Subsequent investigation showed that this sum exceeded our actual damages by $13,000,000 and that amount was handed back to China, who set it aside for the education of Chinese students in the United States. This phase of our Far Eastern policy occurred in McKinley's administration.

Hay's Chinese Settlement

The encroachments of the powers on China deeply affected public opinion in the United States. Of all the group, Russia sinned worst; and when Japan began a war on her in 1904 to force her out of Manchuria the Japanese were applauded in the United States. In a furious struggle they won victory after victory, but a year and a half of sacrifices left them exhausted financially and ready for peace. Roosevelt offered his good offices and on August 5, 1905, commissioners met at Portsmouth, New Hampshire, to make a treaty of peace. Roosevelt kept

Roosevelt and the Treaty of Portsmouth

in close touch with the proceedings and smoothed out many rough places.

When the negotiations were at a crisis and it seemed possible that the conference would break up without a treaty, he suggested the compromise that was accepted. Japan demanded indemnity and the retention of the island of Saghalien, which she had taken and which was valuable as commanding the mouth of the Amur River. Russia refused. Finally Japan, unable to borrow more money to carry on the war, was forced to be satisfied with the southern half of Saghalien and other advantages in Manchuria and Korea. When the Japanese people learned the conditions of the treaty they were highly displeased. They overwhelmed their commissioners with reproaches and did not forgive Roosevelt for his part in making the treaty. On the other hand Japan was exhausted, as Roosevelt well knew, and Russia was counting on that fact as a lever to force a mild peace.

43. The Perplexing Problem of Japanese Immigration

Soon after the Treaty of Portsmouth, 1905, the friendliness of Japan and the United States changed to suspicion. The cause was partly the realization in Washington that a strong naval and military nation had sprung up in the Pacific, a possible menace to our possession of the Philippines, and our natural rival in trade and expansion. The manifest confidence of the Japanese in their own power also alarmed the people of our Pacific Coast and aroused some interest in all parts of this country.

Japan distrusted

In Japan appeared at the same time a growing distrust of the United States. Roosevelt's activity at Portsmouth was taken to mean that he was unwilling to see Japan become a great nation. Our "open door"

policy in China was taken as a design to check Japan's growth in Asia. Anti-Japanese views of our newspapers were repeated in the Japanese press to nourish suspicion against us. Altogether a process of accusation and counter-accusation began, which the diplomats of the two nations, try as they might, could not check. The situation was made more trying by the sudden appearance of a controversy over Japanese immigration.

Japan becomes suspicious

By a law of Congress made in 1882 and renewed in 1892 and 1902 the immigration of Chinese laborers was prohibited. Nothing was said at the time about excluding Japanese, only a few of whom had begun to arrive and these chiefly of the merchant class. Shortly after the war many Japanese laborers appeared on the Pacific Coast, and some Japanese children, who were placed, like those of other aliens, in the public schools. The Japanese proved themselves the same kind of labor competitors as the Chinese of the early eighties, and the same feeling was aroused against them. To exclude them outright was not easy as the Japanese resented action which placed them side by side with the Chinese. Moreover, a treaty with Japan specifically guaranteed to her citizens in the United States all the rights and privileges of the citizens of the most favored nation.

Japanese immigration

In October, 1906, the San Francisco school authorities took up the situation at one of its angles by creating an "Oriental School" which all Asiatic pupils should attend. The Japanese complained that the rule violated the treaty, and their government lodged a protest with the Secretary of State. Roosevelt used his best efforts to get the San Francisco authorities to modify the rule but without avail. He pointed out that a treaty was the

"Oriental School" in San Francisco

supreme law of the land, but the reply was that local affairs, such as the management of schools, are strictly state affairs. The people of California were nearly unanimous in this position and Roosevelt was unwilling to try issues with them.

The upshot of the matter was a "gentleman's agreement" arranged by the President in 1907 by which were admitted to the ordinary schools oriental children not more than sixteen years old; while Japan undertook to refuse passports to laborers going for the first time to the United States. This action, with certain changes in the immigration law made in 1907, reduced the Japanese immigration to one-tenth of what it had been. In 1911 a new treaty was made with Japan and the "gentleman's agreement was continued."

"Gentleman's Agreement"

In 1913 the Japanese question was again to the front in California, when a bill came before the legislature to forbid aliens ineligible for citizenship to hold land by fee or by lease. Again Japan protested that discrimination was made against her citizens. Under the national naturalization act Japanese were not eligible for citizenship, and the words of the California bill made it evident that only Japanese were intended. To settle the matter President Wilson sent Bryan, Secretary of State, to California, to make a compromise. Bryan could not get the legislature to drop the bill, but he got the wording changed slightly. As passed, the law provided that aliens eligible to citizenship might hold land on the same terms as citizens; and other aliens might have only the landholding rights guaranteed them by the treaty. As no treaty with Japan stipulated such a right, Japanese were not accorded the privilege under consideration.

Japanese as landholders

This turn of the affair relieved the tension some-

what, but it did not satisfy the Japanese. The question remained in the background, and was likely to come up whenever there was serious exchange of diplomatic views between the two countries. It was somewhat eased by the entrance of the United States into the World War, in 1917. Japan then found herself fighting side by side with the nation she had mistrusted; and the friendship thus engendered blotted out, to some extent, the old national suspicion. The Washington Conference on Disarmament, which assembled in 1921, did much to smooth out the relations of the two nations.

A lurking danger

44. Roosevelt's Caribbean Policy

A century has passed since the Spanish American colonies became independent. Within that time those states that lie in the south temperate zone have grown rich and powerful, and those lying in the tropics, except in the West Indies, have remained sparsely settled and frequently in the throes of revolution. The population in the American tropics consists of a ruling minority of Spanish stock, a larger middle group of mixed blood, and a still greater majority of pure Indian race. The poor are very poor and the rich very rich. The region abounds in resources but they are undeveloped. Over these states, most of them weak, has extended the protection of the Monroe Doctrine, probably the only thing that has saved them from absorption by European nations.

Spanish American conditions

While these countries have developed slowly, the United States have rapidly exploited their own natural wealth; and at the beginning of the twentieth century they were looking for new fields to develop. Tropical America presented a rich opportunity, but its uncer-

tain government warned capital to beware. Despite the risk, ventures were made, mines were opened, plantations purchased, railroads laid out, and a large amount of business established under more or less definite assurance from the various tropical governments that it should have protection.

Expansion and foreign investments

The natives saw this invasion of foreign influence with alarm. Their richest deposits were going into the hands of strangers, and their own people were becoming laborers in the plants of aliens. Out of this opposition of interests grew jealousies, and each side called upon its own government to support its interests.

Roosevelt's extension of the Monroe Doctrine also played an important role in this situation. He held that we had the right to see that a state benefited by the Doctrine did not contract debts it could not pay, or do other things that would invite European intervention. As the small states concerned lay mostly on the rim of the Caribbean Sea this policy was called the Caribbean Policy. It meant the gradual extension of our influence in this region, with the right to interfere in the government of the existing states in order to preserve a regular exercise of the functions of government. The majority of the natives have resented our pretension as another instance of the inroads of foreigners on weak states possessing rich resources.

Caribbean Policy

The first step in this Caribbean Policy was the Platt Amendment. Early in 1901 we were preparing to leave Cuba. A Cuban constitutional convention was drawing up a constitution for the island similar in many respects to the constitution of a state in the United States. McKinley caused the convention to know that while we meant to leave Cuba entirely independent and sovereign, we should retain the right

Hold over Cuba

to intervene in Cuban affairs under certain circumstances. The Cubans objected on the ground that such a condition would lessen their state of independence.

Then Congress adopted what was known as the Platt Amendment to the army appropriation bill, March 2, 1901. It originated in the White House and provided for withdrawal from Cuba when she ratified a treaty containing the following principles: (1) Cuba would never sign a treaty impairing her independence nor permit any foreign power to effect lodgment on her soil. (2) Cuba must never incur a debt on which her current revenues would not pay the interest and provide for a sinking fund. (3) Cuba must promise that the United States if they thought fit might "intervene for the preservation of Cuban independence, the maintenance of a government adequate for the protection of life, property, and individual liberty, and for discharging the obligations with respect of Cuba imposed by the Treaty of Paris on the United States, now to be assumed and undertaken by the government of Cuba." (4) Cuba must ratify and maintain all our deeds under our military occupation. (5) Cuba must continue the sanitary measures we had set up. (6) The Isle of Pines must not be deemed within the treaty, and its future was left to negotiations. (7) Cuba must sell or lease us lands for suitable coaling stations. This document was accepted by Cuba, when it was clear that we meant to have our way. More than a year later (May 20, 1902), a duly elected Cuban President was inaugurated and to him was delivered the authority to govern in the island.

"Platt Amendment"

For four years affairs went well in Cuba; and then came the election of a President. The defeated party did not submit to the result of the voting but took up

arms. Chaos threatened and President Roosevelt sent Taft, then Secretary of War, to Cuba with orders to take over the government, if he could not restore peace by appeals to reason. Taft proclaimed a provisional government under the Platt Amendment. Troops were sent to his support and order was promptly established. He remained in Cuba but a short time and was succeeded by Charles E. Magoon, with the title of Provisional Governor. This situation continued for more than two years. When order had been restored Governor Magoon permitted an election to be held and turned over the government to the Cuban officials.

Cuban intervention

No intervention has been necessary since 1909, but several times the Washington government has felt impelled to give strong advice to the President of Cuba. In 1913 a protest was made which induced that official to veto a bill before the legislature to pardon certain Cubans convicted of looting the treasury; and more than once we have prevented the passage of a bill to establish a lottery. In 1916 President Menoçal was declared re-elected in a presidential contest, and his opponents took up arms. The United States landed marines at some of the Cuban ports and awaited events. Menoçal was able to restore order without outside assistance, which was considered a decisive gain in the spirit of self-government.

Later relations with Cuba

This "big brother" attitude toward Cuba illustrates the essential nature of our Caribbean Policy. It is in effect a protectorate, so far as European states are concerned. In the domestic affairs of the protected states it aims to restrain the worst forms of bad government. Results in Cuba seem to justify this policy; for it has given the island more than twenty years of immunity from serious insurrec-

Effects of the policy

tion. It has not had the same effect on the people of some of the other countries, partly because the time has not been long enough; and partly, no doubt, because in only one other country, Nicaragua, have we the treaty right to exercise control as over the affairs of Cuba.

Appeal from Santo Domingo

In 1905 President Morales, of the negro republic of Santo Domingo, appealed to President Roosevelt to save his country from occupation by foreign states who threatened to interfere to collect debts owed to their subjects by the Dominican government. His country was bankrupt and defaulted in interest. Roosevelt found himself in a quandary. He might leave Santo Domingo to her fate, justly deserved, and thereby give up his interpretation of the Monroe Doctrine; or he might intervene and be pronounced an expansionist. Between the two courses he chose the latter. He proposed to take charge of the Dominican revenues temporarily, place them on a sound basis, acting as a receiver acts for a bankrupt concern, and when the danger had passed, handing back the business to the legitimate owner.

A rejected treaty

Accordingly a treaty was negotiated by which the United States would appoint a collector of Dominican revenues, apportion a part of the receipts to paying interest and reducing the debt, and use as much as he saw fit in paying salaries, supporting armies, and defraying other expenses of the government. The United States Senate, already entering on opposition to the aggressive President, refused to ratify the treaty. Roosevelt then entered into a *modus vivendi* with Santo Domingo, which did not require approval by the Senate but was equally binding as a treaty for the time being. Under this agreement he nominated a collector of revenue, whom the Dominicans formally

appointed, and kept a naval force on the spot to support his authority.

Effects in Santo Domingo

After two years of this régime, which worked excellently, the Senate relented and ratified a treaty like that which it had first rejected, except that it did not pledge the government to preserve the integrity of Santo Domingo. Under a sound system of collection, the Dominican revenues were nearly doubled and the creditors were induced to reduce their claims from $32,280,000 to $17,000,000. A new issue of $20,000,000 in five per cent. bonds was made to take up this debt and provide a working balance, and it was agreed that the collector appointed by the President of the United States should continue in charge of the revenues until these bonds were paid off; nor should Santo Domingo within that period increase her debt without the consent of the United States.

Central American League, 1907

On the mainland south of Mexico lie the small republics of Honduras, Guatemala, Salvador, Nicaragua, Costa Rica, and Panama. The last named is practically a United States protectorate by the terms of the treaty made in the first days of the Panama revolution, 1903. The others have often been at war with each other and President Roosevelt, impelled by his desire to establish peace in all the Caribbean region, united with President Diaz of Mexico, in 1907, to get the others to enter into a state of mutual peace. The two rulers called a conference of these states in Washington, November 14, 1907, and the five republics entered into agreements by which they undertook to live in peace with one another for ten years.

To carry out these agreements a Central American Court of Justice was set up, to which the several states promised to submit their differences. Mr. Andrew Car-

negie gave the money to build a "Temple of Peace" at Cartago in which the court was to sit. Lively was the hope that this "Central American League of Nations," as it was called, would be a permanent influence for peace in Central America, and Roosevelt went out of office with that idea in mind. These hopes fell when the United States refused to permit a decision of the new court, which affected certain territorial claims of the United States, to be put into operation. The court therefore dissolved itself. The future history of our Caribbean Policy is related in a later chapter of this book.

Roosevelt's naval policy

Roosevelt's Caribbean Policy was a part of his strong foreign policy. He thought the United States should be ready for an emergency, and he built up the navy as our first line of defense. When he went out of office it was believed to be the second strongest navy in the world. In 1907 he gave to foreign powers, and to the people of the United States as well, a demonstration of its power by sending on a journey around the world, a fleet of sixteen new battleships, all constructed after the end of the war with Spain. These vessels were received everywhere as an evidence of the new fighting power of the country and created an impression that made for peace.

45. Roosevelt's Last Defiance of his Enemies

The *furor politicus*

Party feeling has frequently run to great heights in American political contests. Men whom history finally places among our best statesmen have been accused of all kinds of vices while they lived. This *furor politicus* is not confined to the ignorant and provincial classes. It has been seen in the most favored circles of society when a strong leader was seeking to reduce the privileges of a dominant class. So it was

when Jefferson and Jackson were the leaders of the democracy in their days; so it was in the beginning of the twentieth century, when Roosevelt attacked big business and sought to make it submit to the laws. A powerful press, a strong party organization that reflected the opinions of men opposed to reform, and a host of people who did not consider that democracy was in jeopardy, united to oppose Roosevelt. They believed him a menace to society and denounced him bitterly. They impeded his measures in Congress, and eventually attacked whatever he advocated. He left office a man well hated by a majority of the Senate and jeered at by a part of his own party. To heighten his unpopularity his opponents seized on any incident which could be made to seem a mistake.

Such a case was the annoying Brownsville incident. On the night of August 13, 1906, a number of negroes at Brownsville, Texas, went through the streets shooting and terrorizing the inhabitants, one of whom was killed. It was believed that they belonged to a detachment of negro troops stationed at the place. After investigation Roosevelt and his Secretary of War, Mr. Taft, decided that the offenders were a portion of the troops. All of the suspected soldiers were called upon to say whether or not they were among the guilty. By concerted consent they refused to testify, and Roosevelt, deeming their action a conspiracy of silence, dismissed the whole detachment from the service. For this action he was severely criticized. His order was called a reflection on the negro race and attempts were made to bring the negro vote into line in opposition to him. He took little pains to defend his conduct, and eventually the storm passed over.

The Brownsville affair

Another attack held him responsible for the sudden

panic that fell on the speculative markets in 1907. This crisis was the result of a series of mushroom banking consolidations, entered into in New York by a group of young and unsteady financiers, together with a general state of reckless speculation. The bubble burst on October 22 when the Knickerbocker Trust Company closed its doors, carrying down several other large institutions. The public was in terror, money was withdrawn from the banks, and loans became very difficult to obtain on any terms and with the best security. Interest went as high as ten per cent. a month, and clearing-house certificates were freely used in most of the large cities.

Attitude in Panic

Bad as the situation was, a general notion prevailed that it was going to be worse. A certain large operator was believed to be on the verge of failure, and if he went down, a great many smaller men would be dragged down; and the panic, still in the area of speculative business, would become general. At this stage two prominent New York business men called on Roosevelt and said that a certain large firm would go to the wall within a week if it did not get aid, and that its fall would carry many other firms with it. It owned a majority of the stock of the Tennessee Coal and Iron Company, a valuable undeveloped property which, report said, the United States Steel Company had long wished to acquire.

Tennessee Coal and Iron Company

It was now proposed to the President that if this transfer could be allowed the imminent failure of the firm concerned could be averted: Would he consider the purchase a violation of the Anti-Trust Law of 1890? His account of the affair runs: "I answered that while of course I could not advise them to take the action proposed, I felt it no public duty of mine to interpose

any objection." Acting on this hint the purchase was made and the crest of the panic of 1907 passed. Roosevelt was criticized for permitting action that seemed to violate the law of 1890. He replied in a characteristic way that by permitting it he saved the country from a greater calamity than the violation of that law could produce.

The panic of 1907 brought home to the country the inconvenience and danger of an inelastic currency. In a time of alarm persons who had been lending money locked it up, either because they feared lending was unsafe or because they waited until dire distress should place the borrower or the seller of stocks at the mercy of him who could lend or buy. All this could not have happened if it had been possible to issue new currency as it was needed, with the provision for calling it back and destroying it when the crisis passed. This dear experience of 1907 set in motion the efforts which finally gave the country the Federal Reserve Bank in 1914.

Inelastic currency

In December, 1907, Joseph G. Cannon, in assuming the office of Speaker to which he was just elected for the third time, made a speech urging the House to be conservative in its policies. Roosevelt took it for a challenge and increased his activity for progressive measures. Bill after bill was introduced by his friends to carry out his ideas. In general they were promptly buried in committees.

Roosevelt at bay

January 31, 1908, Roosevelt struck back in a vigorous manner. Using as a pretext a message urging an employers' liability act he made a general defense of his policies, boldly attacking some of the leading corporations and gaining attention far and wide. March 25 another message went forth recommending several things which he considered for the public uplift. Can-

non's inauguration speech was in the nature of a warning from the stand-pat wing that they would bridle the irrepressible President. Roosevelt's action in reply was an appeal to the people over the heads of Congress. The popular response was enough to make some of the Congressmen believe that they had taken a wrong attitude. In this way he got Congress to pass an employers' liability act that met the objections of the Supreme Court, the Vreeland Act to provide an emergency currency, and a law prohibiting child labor in the District of Columbia. In this hard contest with Congress in 1908 Roosevelt came out, upon the whole, with important victories, although he had failed to accomplish much that he demanded.

Master of the National Convention

The contest had a direct bearing upon the following Presidential election. Cannon's challenge was probably made for an expected effect on that canvass, while Roosevelt's two elaborate messages were undoubtedly sent forth with the idea that they afforded an excellent means of publicity in his attempt to control the approaching National Convention. Both were issued while the delegates were being selected; and they had their effects. The convention when it assembled in June was entirely in Roosevelt's hands. He dictated the candidate.

Selection of Taft

Three prominent Republicans had been passed in review in his mind. Root, highly esteemed for his great intellectual ability, was long identified with the large corporations as attorney, and it was not considered safe to try to elect him. Probably Roosevelt, despite his personal liking for Root, realized that he was too much a man of his own mind to be relied on to carry out another man's program. Serious consideration was given to Governor Hughes, of New York, who was making a strong fight against the Platt

machine and winning much applause with reformers in and out of the state. He, too, was put aside, as it seems, because of his personal reserve and the inability of Roosevelt to know just where he would stand. The choice fell on William H. Taft, Secretary of War, thoroughly in sympathy with Roosevelt's policies, and a close official and personal associate. He was taken as the man who would carry on and complete what Roosevelt had begun and as such he was nominated at the convention by the Roosevelt supporters.

The election of 1904 showed the Democrats how completely their party had gone over to Bryanism. It was evident that if Bryan's ideas prevailed he would be the logical candidate. No other man was as strong with the Bryan men as Bryan himself. So for the third time he was placed at the head of the ticket, and led it to defeat. He had won the control of his party but he could not reach to victory. The electoral vote was 321 for Taft and 162 for Bryan.

The most popular Bryanite

When Congress faced Roosevelt for the last time, it was in a defiant attitude. House and Senate were controlled by his enemies who, looking on him as a man without further power, were inclined to ignore him. Some of the more belligerent were disposed to badger him. It was ever Roosevelt's habit to give blow for blow and, if possible, to strike first. In his annual message of 1908 he met his friends aggressively by laying down a larger program of reform than ever before. He came out flatly for a modification of the anti-trust law so that distinction could be made between combinations that were bad and those that were not formed in restraint of trade; but he asked that railroads should not come under this act, remaining

solely under the railroad acts and the Interstate Commerce Commission.

The secret service thrust

In this session Roosevelt had a sharp quarrel with Congress over the use of the Secret Service, which he had used in some cases to observe the actions of Congressmen. In the preceding session his opponents carried a measure directing that the agents of the service should no longer be detailed to take orders from the departments. Recalling this action the President, in his message, said that it would retard the efforts of the government in dealing with crime. The practice now forbidden, he said, had enabled the departments to discover some important timber frauds, and it had even been the means of trying and convicting a United States Senator and Congressman of land frauds in Oregon. He dismissed the subject by saying that he thought it well to find and punish crimes done by public officials as truly as by others; but that if Congress did not agree with him, it would be well to make an exception in favor of its members rather than deal so sweeping a blow to the whole Secret Service as to say that it should in no case be at the direction of a department. Congressmen were now more indignant than ever, and an investigation was ordered forthwith. After a brief period of recrimination the incident was allowed to pass.

Roosevelt's exit

Other such incidents took place, to all of which the President made vigorous replies as long as he was in office. The Senate asked the Attorney-General for the papers relating to the purchase of the Tennessee Coal and Iron Company by the United States Steel Corporation. Roosevelt refused to let that officer deliver them, on the ground that a head of department was subject to the Constitution, the laws, and to no other authority. The Senate then held an

investigation of the deal and decided that it was in violation of law. His enemies in Congress believed that they could break down his popularity. It is probable that they accomplished nothing in that respect. The majority of the people trusted him and believed that Congress acted through personal hostility. When he retired from the Presidency he embarked shortly on a foreign journey which took him into the heart of Africa, hunting big game there. Fifteen months later he returned. The time was long enough to allow the new President to set his political course without interference by his predecessor.

CHAPTER VI

TAFT AND THE RISING INSURGENCY (1909–1913)

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47. Taft and the Roosevelt Policies

Taft's election to the Presidency was brought about by Roosevelt with the expectation that it would insure the continuation of the Roosevelt policies, which in 1909 were still incomplete and in danger of repudiation if the stand-pat wing of the party came into power. Taft's failure to comply with this program was the most conspicuous thing in his administration. It aroused the wrath of the Roosevelt men, broke up the personal friendship that had long existed between Roosevelt and Taft, led the stand-pat group to make a bitter war on the insurgents, produced the

Two policies

split of 1912 in the Republican Party and made possible the triumph of the Democrats in the election.

Taft was a good administrator, and he was sincerely desirous of doing the things he thought for the best interests of the country. He was not aggressive like the hard-hitting Roosevelt. He found his party in two hostile camps, and with an instinct for peace he tried to bring them together. It was an impossible task; for the stand-pat wing favored government by the conservatives with consideration for the large business interests, while the Rooseveltians were intent on driving big business out of its position as close friend of the government.

Taft's dilemma

Between these policies was no middle ground. If Taft did nothing at all he would be considered as favoring the second group, with which he had been associated before 1909, and thus he would have the opposition of the other faction. If he favored the stand-pat wing he would have the opposition of those whom he had formerly supported. For a time he favored neither side, then he began to lean toward the conservatives, and eventually he became an out and out stand-patter. As he shifted in that direction the Rooseveltians became more and more severe upon him, which in turn made Taft still more of a conservative. Finally Rooseveltians pronounced him an ingrate to the man who had made him President, and they repudiated his leadership.

The first indication of trouble was Taft's appointment of a Secretary of the Interior. This place was dear to Roosevelt's heart because most of the works involved in his policy of conservation were within the supervision of this department. He wished James H. Garfield, his own appointee, left

Ballinger *vs.* Garfield

in charge as a guarantee that conservation would continue.

Garfield was not retained and the office went to Richard A. Ballinger, of the State of Washington. Ballinger had been Commissioner of the Land Office under Roosevelt which was within the Interior Department. He had differed with Garfield over some features of the conservation program and then retired from office. When, therefore, Taft dropped Garfield, Roosevelt's choice, and took Ballinger, known to object to some of the features of conservation, the followers of Roosevelt felt that their leader had been slighted. It was the beginning of a quarrel that grew into wide dimensions and did not cease until Ballinger was removed from office.

48. The Payne-Aldrich Tariff (1909)

Taft and the tariff

In 1909 the Dingley tariff was twelve years old and many of its schedules were badly adjusted. The Republican platform of 1908 said that it ought to be revised by its friends, and "revision" was generally taken to mean revision downward. Taft accepted this view and argued for it in his campaign speeches. His position was especially popular in the West, where the people were mostly engaged in agriculture and felt few benefits from protection of manufacturers. Eleven days after his inauguration, he called Congress in extra session to consider the tariff. A bill was quickly passed through the House under the care of Payne, chairman of the Ways and Means Committee, providing for substantial reductions in the duties and an increase of the free list. It then went to the Senate.

In recent years most important House bills are seriously modified in the Senate, and the Payne Bill was no

exception. It encountered a powerful lobby while it was before the Finance Committee and when it passed the Senate the rates were so high that it was difficult to decide whether revision was downward or upward. But the bill as thus modified was accepted by the House and went to the President for his signature. It was so much at variance with Taft's campaign speeches that many people thought he would veto it. He accepted it, but with visible dissatisfaction. At this time the leading conservative in Congress was Senator Aldrich, of Rhode Island. He was a man of great ability and exerted much influence over Taft, whom he convinced that it was better to accept the tariff bill than perpetuate the breach between the two wings of the Republican Party.

The work of the Senate

Acceptance of the Payne-Aldrich tariff, as the bill was called, kept the friendship of the stand-patters true to Taft, but it lost to him the support of the Roosevelt wing. Four Roosevelt senators led by Dolliver of Iowa, voted against the bill and opened bitter war on the President for going over, as they said, to the conservatives. Before Taft's day, James A. Tawney, of Minnesota, had been one of the most relentless baiters of Roosevelt and he was offensive to those who loved Roosevelt's fame. September 17, 1909, Taft made a speech at Winona, in Tawney's district, and in Tawney's behalf, in which he called the Payne-Aldrich Act "the best tariff law the Republicans ever made, and therefore the best the country ever had." He repeated the utterance many times in a tour he made in the West immediately afterwards, much to the dissatisfaction of that section.

Taft's Winona Speech

In fact, the new tariff raised the prices of merchandise produced in the East, which was a burden to the Western consumers. It also lowered the rates on

some things produced in the West and largely bought in the East, as lumber and dairy products, which came into the country from Canada and competed with those industries in the Northwest. To the Western farmer it seemed that the act of 1909 gave the East a double benefit, enabling it to sell merchandise at a greater profit and to import some supplies at lower prices; while it added a double burden to the West, since it put up the prices of merchandise and lowered the prices of some of its products.

Grievances of the West

49. The Ballinger-Pinchot Controversy, 1909–1911

Even before the Winona speech a personal controversy cast its shadow across the path of the new President and caused violent indignation in the country. Secretary Ballinger was not in favor of some features of conservation and showed it in his actions. His opponents charged that he acted from corrupt motives, but their charges were not proved. Taft realized that his Secretary of the Interior was overblamed and refused to dismiss him, for which he received much criticism in the country.

Ballinger's position

The origin of the affair goes back to 1907, when Ballinger was head of the Land Office. Reports came that some of the claims of the rich Cunningham syndicate to lands in Alaska were illegal, and L. R. Glavis, an investigator for the Office, was sent to investigate them in Alaska. He soon satisfied himself that the charges were true and advised that the claims be held up pending his report. Shortly afterwards and partly because he objected to Glavis's findings, Ballinger, as stated above, resigned from the Land Office. Thereafter he acted as counsel for the Cunninghams in a small litigation.

The investigation in Alaska was still going on when

Ballinger rose to the place from which Garfield descended. Glavis soon was ordered by the Secretary to make a complete report on the Cunningham claims by July 1, 1909. He replied that it was impossible to comply and set out for Washington City to ask for more time. He found all avenues closed to him, and on May 19 an order issued from Ballinger allowing the Cunningham claims to be perfected without further delay.

Glavis dismissed

Glavis was greatly discouraged and on the advice of friends, among them Gifford Pinchot, Chief Forester, he took the matter to Taft, who sided with the Secretary of the Interior and dismissed Glavis for giving his story to the public. Grave charges were whispered against Ballinger, implying that he was corruptly in the interests of the Cunningham syndicate. Taft gave out a statement exonerating his Secretary, but the doubters took it for an attempt to "whitewash" a wrongdoer who had deceived the President.

The fire now spread. Many newspapers espoused the cause of Glavis, and Gifford Pinchot openly criticized the position of the President. The Roosevelt men in Congress entered the fray, and one day Senator Dolliver read in the Senate a letter from Pinchot in which the writer repeated his criticism of Taft. For writing this letter Pinchot was dismissed from office.

Pinchot dismissed

Next came an investigation by a joint committee of Congress, eight Republicans and four Democrats. Much testimony was taken and the committee adjourned to meet when called by the chairman. Summoned to meet in Minneapolis, September 7, 1910, six members (less than a quorum) appeared, four of them Democrats. The four joined with one of the two Republicans in a report censuring Bal-

Investigation by Congress

linger. A short time later six of the Republicans met and voted a censure on their colleagues for their action at Minneapolis. These contrary votes increased the confusion in the public mind; but the committee finally met and seven Republicans voted to sustain Ballinger, while the four Democrats voted that he should resign and one Republican filed an opinion adverse to the Secretary. The committee was created to clarify a muddled situation: it had only made it more obscure.

Throughout the winter of 1910–1911 the controversy raged until it was evident that Ballinger's usefulness as an official was gone, whether he was guilty of corruption or not. Unwilling to embarrass the President further he offered to resign; and on March 7, 1911, Taft unwillingly accepted the offer. In his letter of acceptance Taft struck violently at Ballinger's accusers. "With the hypocritical pretense that they did not accuse you of corruption," he said, "in order to avoid the necessity that even the worst criminal is entitled to, to wit, that of a definitely formulated charge of some misconduct, they showered you with suspicions, and by the most pettifogging methods exploited to the public matters which had no relevancy to the issue of either corruption or inefficiency in office, but which, paraded before a hysterical body of headline readers, served to blacken your character and obscure the proper issues of your honesty and effectiveness as a public servant." This parting shot only served to heighten the distrust of the Roosevelt men for the man who fired it.

Resignation of Ballinger

The height to which the tide of bitterness rose is seen in the following typical utterances. President Taft said in one of his speeches: "Perhaps the newspapers do not carry in their pockets all of public

opinion, and perhaps the American people are able to see something of the hypercriticism, something of hysteria, something of hypocrisy, and to have a real sympathy for the man who, under considerable responsibility, is doing the best he can."

Blow and counterblow

These sharp words were matched by the sarcastic utterance of Senator Dolliver who remarked in 1910: "The past year witnessed two events of unusual interest — the discovery of the North Pole by Dr. Cook and the revision of the tariff downward by the Senator from Rhode Island — each in its unique way a hoax, and both promptly presented to the favorable notice of the people by the highest official congratulations." Taft, carried away by the feelings of the moment, had congratulated Dr. Cook on his alleged discovery of the North Pole. When two opposing leaders talked this way of one another it was not to be expected that they could be brought back into coöperation.

50. Growth of Insurgency

In January, 1910, Congress was considering the appointment of a committee to investigate the actions of Secretary Ballinger. The proposal was opposed by the conservatives, but the extreme Roosevelt men united with the Democrats and carried it. The stand-patters pronounced this act treason to party and from that time the extreme Roosevelt men were called "Insurgents." Furthermore, it was decided that they should be disciplined and to Speaker Cannon fell the task of applying the lash. He had the appointment of members of committees, and he let it be known that the Insurgents could not expect good places as long as they did not recognize party authority. Cannon's hand was heavy when it struck, but the men of the West had stout wills and they in

Origin of name Insurgents

nowise lowered their heads. They even planned a retaliation which struck the wand of power out of the hands of the Speaker and prostrated for a time the harmony that is essential to the existence of a political party.

Speaker Cannon's power broken

March 19, 1910, after four days of angry debate they carried through the house with the aid of the Democrats a resolution to take from the Speaker the authority to appoint committees, and to drop him from the Committee on Rules. When the motion passed Cannon, who was presiding, announced that he would entertain a motion to vacate the Speakership. A Democrat promptly made the motion, but it failed because the Insurgents would not vote for it. They were unwilling to humiliate unnecessarily the man whose strength they had reduced. From that time the House has had the selection of committees in its own hands. They are now nominated by a Committee on Committees and approved by the House. After their victory the insurgents continued to act as a *bloc* and by combining with the Democrats they had a strong influence on legislation.

Olive branch rejected

As the Congressional elections of 1910 approached it was realized that the disorganization of the Republican Party would give an opportunity to its opponents. The policy of discipline had not succeeded. Suddenly came evidence that it was abandoned. In the spring the newspapers published a letter from Taft stating that in the future he would no longer refuse to grant patronage to the Insurgents. The change came too late, and the Insurgents jeered at it. They had won their fight and Taft's retreat was a confession of defeat.

The rise of insurgency went along with a growing distrust of those party bosses and party rings, against

whom Roosevelt had made a stern protest. To break the power of such persons there arose a strong demand for direct nominations by the voters in primaries. The convention system was defended by conservatives on the ground that it led to the selection of the best men. The reply was that conventions did sometimes nominate men of higher ability than a popular primary would name; but that in general the conventions had fallen into the control of designing men who acted for special interests. Under the influence of this discussion many states adopted the direct primary system. Experience has shown that the primary has not yielded all the good expected, nevertheless it eliminated some of the worst evils of the old system.

Nominating primaries

While the insurgents were rejoicing over their victory over Cannon, Roosevelt reappeared on the scene, arriving from his long hunting expedition in Africa. He reached Khartum, on the Upper Nile, March 14, 1910, and arrived in New York on June 18, the interval being spent in visiting courts and other interesting scenes in Europe. In all these places he received great honor, and his landing in New York called forth a demonstration worthy a world hero. During his absence he had lost nothing in his country's esteem.

Return of Roosevelt

The public was curious to see whether Roosevelt would side with his old friend, now the President, or support the Insurgents, who looked upon him as the founder of their faith. Shortly after landing he visited Taft and outwardly all seemed harmonious. In the autumn he took part in the canvass for the legislature of New York. Governor Hughes was trying to get an Assembly that would pass a primary law and Roosevelt spoke in his support. In

Roosevelt non-committal

all he said openly he did not criticize Taft, but he did not abate his opposition to big business in politics.

Roosevelt's "New Nationalism"

Then suddenly he hurled a thunderbolt. Speaking on August 31 at Osawatomie, Kansas, he announced a political platform, which he called "New Nationalism." Government by the people, he said, was threatened by wealth in national politics, and the power of the nation should be so extended over it that it could not do what it was doing. To reach this end he would give the federal government all needed power. If the Constitution was not strong enough he would amend it. He denounced what he called "the twilight zone" between federal and state authority, "a refuge for lawbreakers, and especially for lawbreakers of great wealth, who can hire the vulpine legal cunning which will teach the way to avoid both jurisdictions." "New Nationalism," he added, "regards the executive power as the steward of the public welfare. It demands of the judiciary that it shall be interested primarily in human welfare, rather than in property, just as it demands that the representative body shall represent all the people rather than one class or section of people." From the individualism of Cleveland to the "New Nationalism" of Roosevelt was a long step.

Democrats carry Congress

The division among the Republicans enabled the Democrats to win the Congressional election of 1910. They had the House by a vote of 227 to 163 Republicans and 1 Socialist. In the Senate they reduced the Republican majority from 28 to 10. In the popular vote the Republicans lost 2,000,000 votes as compared with 1908 and the Democrats gained 1,000,000. It gave the Insurgents some comfort to note that most of the Republican losses were at the expense of the stand-patters.

51. The Tariff Controversy Again, 1909–1911

Taft was not satisfied with the Payne-Aldrich tariff of 1909 and thought he could give some relief to the consumers by reciprocity with Canada. The idea was popular in the East, for it offered the people cheaper lumber, fish, and dairy products. It was unpopular in the West, which had lumber and dairy products to sell. A bill was introduced into the House in January, 1911, to reduce the tariff on vegetables, grain, fish, food animals, and rough lumber, and in return it was agreed that Canada should lower her rates on many of our manufactured articles.

Reciprocity with Canada

To the President's surprise the bill encountered strong opposition in Congress. It proved unpopular with the protectionists, who saw in it a beginning of tariff tampering which would end in more drastic reductions. Western men declared it sacrificed the farmers and lumbermen for the benefit of the East. The Insurgents, close to the farming interests, said that reciprocity was as bad as the tariff of 1909. In these ways so many Republicans fell away that Taft had to appeal to the Democrats to pass the bill. In went through the House by a vote of 221 to 93, but the short session ended before the Senate considered it. Taft, not discouraged, called an extra session, in which it passed with 53 Senators for it to 27 against it. Only 21 Republican Senators supported it and only 3 Democratic Senators voted against it.

Passed with Democratic aid

Taft had counted on Canadian approval of his measure, but the result showed that he was mistaken. The manufacturing interests of the Dominion opposed reciprocity, since it admitted our merchandise into competition with theirs. The agricul-

Rejected by Canada

tural interests were expected to support it strongly enough to bear down the protectionists. They showed at last they were indifferent to the subject. A remark of Champ Clark, Speaker of the House of Representatives, to the effect that reciprocity was but the precursor of the annexation of Canada to the United States. aroused much feeling with the Canadian descendants of the loyalists who went to Canada after our Revolution, and it is believed that their votes were the decisive factor in the rejection of reciprocity in its Canadian election.

"Separate-schedule" tariff bills

Having passed the reciprocity bill for the President, the Democrats, with the aid of the Insurgents, now proceeded to pass some bills for themselves. They carried through Congress three separate-schedule bills, one establishing a farmers' free list, another lowering the wool duties, and another lowering the rates in some of the cotton and other schedules. All passed by decided majorities and were vetoed by the President, on the ground that they were hastily prepared. These bills helped the Democrats as a party because they kept the tariff before the country, widened the breach in the Republican Party, and showed the people how fatally weak was the Taft administration.

52. The Presidential Election of 1912

Two Republican factions

As the election of a President approached the Insurgents began to prepare for a fight to capture the leadership of the party. It was a foregone conclusion that the stand-pat wing of the party would be for Taft. He had strong support in the sections in which business interests predominated, and with that large class of respectable people who are instinctively conservative. Through

administration influence he could control the Southern delegates, mostly under the command of federal office-holders.

"Progressives"

The Insurgents now began to call themselves "Progressives." In several states they held conventions and organized within the Republican Party to carry the election of delegates to the nominating convention. Among their declared principles were the popular election of Senators, the short ballot, a tariff equal to the difference between American and European wages, direct primaries, the initiative and referendum, and sometimes they included the recall of officials. They declared explicitly against the renomination of Taft.

La Follette's part

After the death of Dolliver, 1910, La Follette was their recognized leader, and he supposed that he had promises from prominent Progressives that they would support him against Taft for the nomination. It was not expected that he could be chosen, but it was believed that with Taft at the head the party would be defeated, the Democrats would take office, and in 1916 the Republicans would be so disciplined that they would accept Progressive principles and win the election under a Progressive leader. La Follette had fought his way to power in Wisconsin against the conservative organization. In this state he was adored by most of the farmers and hated by most of the business men. To him was due a series of Wisconsin laws in keeping with the ideals of the Progressives. A self-made man, a passionate battler in the political arena, he was distrusted by the Eastern Progressives who demanded a leader who could be nominated.

This conviction led to a call for Roosevelt, who resisted at first but eventually yielded. In February

the Wisconsin Senator was pushed aside on the ground that his health would not permit him to make the race, and Roosevelt appeared as the contender against Taft for the nomination. In a notable address at Columbus, February 21, 1912, he summed up the platform of Progressivism in what he called "A Charter of Democracy." In the hot contest that followed President and ex-President spoke frequently. Roosevelt was impulsive by nature and spared no words in the heat of a campaign. This remarkable man had many admirable ideas for the government of a state, but he was a bad contestant, fierce and without consideration for his opponents. His attacks on Taft in 1912 went farther than fair-mindedness warranted.

Roosevelt up for nomination

The contest for delegates was bitter. In the states having primaries Roosevelt prevailed in all but Massachusetts, which was split. Wherever possible each side contested the results and there were many such disputes to be settled when the convention met. In the states using the primary the results showed 278 delegates for Roosevelt, 48 for Taft, and 36 for La Follette. The Progressives were justified in claiming that where the opinion of the voters was taken the preference was Roosevelt.

Roosevelt in the primaries

The fight over the contested delegates was a fierce one. When the convention met in Chicago, June 18, contests to the number of 254 had been filed. The deciding power was the National Committee and its Committee on Credentials, the majority of whom were conservatives and opposed to Roosevelt. When the contests had been decided the Taft men elected a temporary chairman, a test vote, by 558 to 502. Of the 254 contested votes Taft got 235 and Roosevelt 19.

The Roosevelt men declared they had been cheated and most of them refused to take further part in the proceedings. On the first ballot Taft received 561 of the 1078 votes and was declared the nominee. Roosevelt got 107, La Follette 41, scattering 10, absent 6 and 344 delegates sat silent and did not vote. In a statement of their grievances, the Roosevelt men charged that they had been defrauded of 80 or 90 seats. After the convention adjourned the Roosevelt men took counsel for their future course. They decided to return home, consult the people, and reassemble in a second convention to consider the launching of a third party. The result was another convention in Chicago, August 5, in which the Progressive Party was founded and Roosevelt was nominated for the Presidency in a great burst of enthusiasm.

Taft nominated

Progressive Party

The contest between Roosevelt and Taft at Chicago in 1912 was one of the grave crises in our political history. It appeared that Roosevelt raised many contests for which there was little or no justification, thus laying himself liable to the charge of his opponents that he created "fake contests." This charge obscured his cause in those cases in which he had good ground for contesting. Aside from the passions of the time, the tendency of calm judgment is that he was the choice of a majority of the delegates fairly chosen by recognized and legal means, and was the victim of the party machine.

A grave crisis

The Democrats were the beneficiaries of this Republican dissension. Had Roosevelt been nominated many Taft men would have voted Democratic: had no Progressive ticket been before the country, many Roosevelt men would have voted for the Democratic candidate. With three parties in the

The Democrats benefit

field, the Democrats had an opportunity to win, for in either contingency the chances were for them. They met in convention in Baltimore on June 25, with hope running high. Two factions appeared. The conservative Democrats, strong in the East and Middle West, were face to face with the Western-Southern faction that had been formed and commanded by William J. Bryan. A clash came on the choice of temporary chairman. The East put up Alton B. Parker, whom Bryan opposed on the ground that Parker was "identified with the reactionary element of the party." After a warm debate Parker was selected by a vote of 579 to 510. Bryan was beaten, but he was so strong that he could not be ignored.

Two Democratic factions

Two days later he introduced resolutions pledging the convention to oppose the nomination of any man representing J. P. Morgan, Thomas F. Ryan, or August Belmont and demanding the withdrawal from the convention of any delegates "representing the above named interests." He thus called attention to the fact that Ryan and Belmont, two rich bankers, were sitting on the platform of the convention. The issue once raised, they were forced to withdraw, whereupon Bryan's resolution passed by a vote of 899 to 106. Bryan's victory brought down upon him an avalanche of criticism in the East.

Bryan attacks "Big Business"

When the balloting began it showed that Champ Clark, of Missouri, had the largest vote, with a large number of the conservatives, while Governor Woodrow Wilson, of New Jersey, had the next largest, with the support of the liberals. Clark's lead was great, but he could not obtain the two-thirds majority required by Democratic practice. As a delegate Bryan was instructed for Clark and voted for him for twenty-five ballots. He then an-

Wilson nominated

nounced that he felt he had done enough to fulfil his duty as an instructed delegate and proposed to act in the future on his own choice. He had favored Wilson from the beginning and now made an open appeal in his behalf. A second outburst of anger occurred and ballot after ballot was taken in fury, without result. Then a rumor spread that Bryan meant to move a recess until August, with a national preferential primary in the meantime. Such a course would have given the victory to Wilson, who had come to be looked upon as the liberal candidate. Under such a threat the conservatives gave way and Wilson was nominated on the forty-sixth ballot.

Wilson elected, 1912

The campaign that followed was very vigorous. Wilson and Roosevelt made many speeches with great effect. Taft followed a more restrained course, as in keeping with the dignity of the office he held. In Milwaukee, on October 14, Roosevelt was shot by a crazed unfortunate, who was promptly sent to a lunatic asylum. He received a serious, but not fatal, wound and gave up speaking, Wilson announcing that he would give up his canvass also. During the last week of the campaign all three candidates re-appeared in active canvass.

The result of the voting was that Wilson received 435 electoral votes, Roosevelt 88, and Taft 8. Of the popular vote Wilson had 6,290,818, Roosevelt had 4,123,206, and Taft had 2,486,529. In this election the Republican and Progressives together cast 60,052 votes less than Taft received in 1908; and the Democrats gave Wilson 122,892 votes less than they gave Bryan in 1908. Since woman suffrage had made a strong advance within this period, it is evident, from the figures here given, that many qualified voters did not vote in 1912. It also seems true from the very large deflection

of Republican voters to Roosevelt that if he had submitted to the triumph of his foes at Chicago and organized no third party, a considerable portion of the voters who supported him would have refused to vote, and another considerable portion would have supported Wilson in preference to Taft. In such a case Wilson would probably have won over Taft.

53. The End of Taft's Administration

Taft's quiet reforms

Taft's long conflict with the Insurgents cast a shadow over the many important things accomplished in his administration. Although he stood before the country as an apologist of the tariff of 1909, which was high, he favored a reduction of duties, as was shown in his reciprocity policy. Although he supported Ballinger, he was a friend of conservation, as was shown in many acts of his administration. In his attempts to preserve party unity he went against some things in which he evidently believed very soundly. It was an unkind fate that took him out of the quiet judicial life for which he was fitted by inclination and cast him into the struggle of party politics, for which he was unfit. He loved peace but he was not willing to fight for it.

Railroads

Despite the opposition of Congress, in the second half of his Presidency, several important measures passed Congress with his support, some of them as a result of his initiative. One was the Mann-Elkins Act, already described, which strengthened the power of the Interstate Commerce Commission and established the Commerce Court. In the act creating the Territory of Alaska (1913) a provision was inserted, with Taft's support, for government owned railroads, an interesting experiment in harmony with the ideas of most of the Progressives.

Taft also tried to carry out some of Roosevelt's ideas for the regulation of trusts. In 1910 he asked Congress to provide for registering under federal supervision such trusts as did not violate the act of 1890, which was one of Roosevelt's most cherished policies. He thought the registration would enable the country to distinguish between the good and bad trusts, with the possibility of keeping effective watch on the bad. When Standard Oil men announced their approval of the plan, the public began to suspect it and it was not accepted by Congress. The later conviction of this great trust by the Federal courts under the law of 1890, with the subsequent conviction of other trusts, was not due to any effort of his, but it had his hearty approval.

Trusts

Misled by the Ballinger affair, the country believed him opposed to conservation, and sweeping charges of this nature were made against him in 1912. In fact, he indorsed and tried to advance most features of that policy. He doubted Roosevelt's authority to set aside forest reserves and got Congress to give the President the necessary power, after which he withdrew vast tracts of public land from sale, including most of those set aside by Roosevelt. Supporting Secretary Ballinger he carried through a scheme to reclassify public lands with respect of their quality. It provided that in selling the public lands the mineral rights should not go with the surface, but be retained by the government to be disposed of in separate agreements. He also supported the bill creating the Appalachian Forest Reserve.

Conservation

Other important laws passed under him created a postal savings bank (1910) and a parcels-post (1912). The latter passed against the strong opposition of the express companies. He gave his support to the courts

and was shocked at the proposal of the Progressives to to recall judges by popular vote. Roosevelt believed that the courts should reflect quickly the changing spirit of the times: Taft thought they should be uninfluenced by the clash of opinions in the political world and interpret laws by ideas already established. He appointed five Supreme Court justices during his Presidency, all of them conservatives.

Other measures

Taft's most important diplomatic actions related to affairs in Caribbean countries. In 1910 Nicaragua, after an exhausting exploitation by the hated Zelaya, appealed to the United States for help in restoring her finances. Taft gave a willing ear and in 1911 an agreement was drawn up providing that loans made to Nicaragua by United States bankers should be secured by the appointment of United States officials to administer the Nicaraguan revenues. The Senate would not ratify and the agreement was replaced by an arrangement like that set up with Santo Domingo by Roosevelt. By it an unofficial representative of the President took over the finances of Nicaragua, with the approval of that republic. In 1916 the main ideas proposed by the President were approved by the Senate in a treaty giving us what amounted to a protectorate over Nicaragua. A body of marines stationed at Managua to protect the local administration remained there as a legation guard.

Taft also tried to promote arbitration as a means of settling international disputes. A treaty for this purpose had been negotiated with Great Britain in 1897, but it was rejected by the Senate. In 1905, Roosevelt negotiated several similar treaties, but the Senate so modified them that he would not present them to the other states for approval. In

International arbitration

1908 he carried through the Senate, to be in time ratified by all powers concerned, treaties for limited arbitration with Great Britain, France, Mexico, and nine other powers, which was the best he could get under the circumstances.

Then Taft became President. He favored the same idea and in 1911 negotiated treaties for unlimited arbitration with Great Britain and France. Their announcement raised a storm of protest, in which Roosevelt himself joined. The upshot was that the Senate amended the treaties so drastically that Taft would not send them to Europe for ratification. In this respect, as in many other of his efforts to carry forward the cause of good government, he was overwhelmed by the vast wave of feeling blown up by the tempest of partisanship.

CHAPTER VII

ROOSEVELT'S REFORMS CARRIED FORWARD BY WILSON (1913–1917)

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55. Wilson's Domestic Policy

A representative man

Woodrow Wilson was a Southern man by birth and temperament, a Northern man by education and residence, and a Western man through the character of his ideals. In these three ways he was in sympathy with each of the three important sections of the Democratic Party which took him for leader in 1912 and placed him in the White House in 1913.

Wilson and the bosses

Well known as President of Princeton University, he began his political career in 1910, when the Democratic boss of New Jersey accepted him as candidate for Governor, believing he would be managed by the party leaders. Wilson had not sought the nomination. In accepting it he declared he had made no promises and announced a program of reform which, if adopted, would put the bosses out of business. Elected to office he was soon at war with the machine, but his eloquent appeals to the people won their sup-

port and enabled him to deal a severe blow at machine government.

These things greatly encouraged the reform element in all parts of the country. Roosevelt was out of office, Taft was strangely under the conservative spell, the reformers began to think of Wilson as their only hope. Then came the Republican split in 1912, and Roosevelt swinging furiously through the country with a banner of reform in his hand. Taft was more conservative than ever and Roosevelt more radical. Wilson appeared as a liberal, somewhere in between the other two, and the country took him for President.

Position as a liberal

For a year and a half, until the World War began, Wilson's administration was full of reform activity. Congress passed bill after bill to lessen the power of big business in politics. A law was passed that reduced the tariff probably to a lower average than the country had seen since the Civil War. Then came a bill to establish a Federal Reserve Bank under the control of government, and not dominated by the bankers, which was a blow at the power of great capitalists over the speculative markets. Next was passed a bill to create a Federal Trade Commission, designed to bring the other corporations under supervision, as the Act of 1887 had brought the railroads under the limited control of the Interstate Commerce Commission. Next came the Clayton Act containing important restrictions on the action of trusts. Finally came a bill to bring the issue of railroad securities under the supervision of the federal government. It was on the eve of passing into law when the World War began and made it necessary to suspend the measure where it was. As this program went through Congress it gathered momentum and its items passed by majorities increasingly large. Rarely

Early reform measures

have so many important laws been made in so short a time and with so little opposition.

With the exception of the tariff all these measures were in line with Roosevelt's reforms. It may be said that he dug the ground and Wilson reaped the fruit that came from it. Roosevelt appeared as a reformer when no one else had enough sagacity and courage to raise hand against the rooted power of the interests. His courage was his chief asset. He never relaxed his efforts. While he failed to accomplish much of what he attempted, he got the people aroused.

Roosevelt prepared the way

Wilson had no scruples about taking up Roosevelt's work. In fact, opposition to trusts was a Democratic doctrine before Roosevelt made it his own. Wilson felt that in taking up the fight the Democrats were merely coming to their own. But the two men were unlike in method of attack. Roosevelt was ever swinging the "big stick." He began with an appeal to public opinion, and when he encountered opposition he met it with the most energetic battle. Wilson's methods were quieter. He was master of the art of convincing statement. He was one of the best informed men in the history and theory of public life that have appeared in our country. He saw clearly and stated his views in such a way as to carry his party supporters with him. It was by such methods that he took up the Roosevelt reforms, which Roosevelt could not carry through Congress, and got them enacted into law without a jar and with growing good will on the part of all the Democrats and some of the Republicans.

Wilson's methods

In January, 1913, Wilson published in a magazine an article called "The New Freedom, a Plea for the Emancipation of the Generous Energies of a People." His purpose was to state in a nutshell the ideals he

would try to carry into effect. The country, he declared, was suffering from the power of a great concentration of wealth, which had stifled competition and held the great mass of people subject to its will. A few men controlled the many, and existing laws were inadequate to correct the situation. The "New Freedom" would be obtained in breaking this system and giving individual effort the power it formerly held.

The "New Freedom"

The difference between his doctrine and Roosevelt's "New Nationalism" lay in the remedy each advocated for the same evils. Roosevelt would give the nation the power to take the great corporations under supervision, preserving the concentrations of wealth, and making them operate under law. Wilson believed that their power was too vast, and he would break it down and bring back the freedom of the individual to carry on his business as of old. To do this safely he would make wise and efficient laws. Eventually Wilson came to accept the Roosevelt idea of regulating big business, as is plainly shown in his program of 1914.

Wilson's cabinet was composed of men of little previous experience in high administrative office. William J. Bryan, Secretary of State, had been in Congress two terms, and was without other important experience in high federal office. Of the others, three had been in Congress, one had been a high judge in his state, and another, Franklin K. Lane, had served with great credit on the Interstate Commerce Commission. The most prominent member was Bryan, who became Secretary of State. He was the leader of a large group of Democrats and he had worked hard for Wilson's election. His appointment was accepted as political, although it was known that he was not fitted for the position by training or knowl-

Bryan and McAdoo

edge. In quiet times he might have gone through the administration without serious failure. But it was his fortune to encounter stormy days, and the result was failure. The next most notable member of the cabinet was William G. McAdoo, Secretary of the Treasury, a man of strong executive ability and industry. He had aroused the hostility of the financial classes in New York in financing tunnels under the Hudson. He won his fight against the bankers there, and the victory created the presumption that he would not come under their influence in the important measures he would have to consider while in office.

Southern responsibility for Government

In Congress, where the Democrats controlled each house, Southern men were in the positions of greatest responsibility. Out of the ten great committees in the House they held the chairmanships of nine: of the five in the Senate they held four. They attained this preëminence through the operation of the rule of seniority and through the habit prevalent in the South of reëlecting members for several terms. For fifty years the South had been out of predominant political influence in national affairs. The responsibility now thrust upon that section, tended to make the leaders more national and to make the people of the South less sectional. The war that followed was supported as zealously in that section as elsewhere in the union. The spectacle of the sons of Confederates directing the government alarmed some of the politicians in the North; but the people of that section showed little concern over it.

Wilson's firm hand

As President, Wilson astonished the country by the directness and swiftness of his actions. Many persons thought that a university head would fit awkwardly into the Presidency. From the day of inauguration he took the reins and drove with

the precision of an old hand. An extra session of Congress was called for April 7; and when it met, Wilson was in command of the situation. Bills had been prepared for the consideration of Congress and a whole program of legislation was outlined. From that time onward the President was the head of the administration in every sense.

Two kinds of presidents

Two kinds of Presidents have held office under our government. One is the man who takes the lead, as Jefferson, Jackson, Lincoln, and Cleveland, and dominates Congress. The other is the man who leaves Congress to its own course, approving or vetoing bills sent him, without sharing in preparing them or carrying them through Congress. Taft was a President of the second kind and under him a small group of Senators, after the power of the Speaker was broken, dominated the government. Wilson was of the first kind. His course was such that he tended to make the office of President that of a prime minister. As the only man in the government elected by the whole people and the only official responsible to the whole people, he felt justified in assuming the position of party and legislative leader. Besides, Wilson was by nature a masterful man.

56. The Underwood Tariff (1913)

Underwood Tariff

The failure of Taft's administration to pass a tariff satisfactory to the Democrats and Progressives made the tariff an issue in the campaign of 1912; and it was the first thing to which the new administration turned its attention. Chairman Underwood, of the Ways and Means Committee, and the President had a bill ready when the extra session met and it was introduced on the first day of the session. It went to the Ways and Means Committee,

whence it was reported out on April 22, and it was passed with slight amendment on May 8, by a vote of 281 to 139. Four Progressives, two Republicans, and one Independent voted in the affirmative. In the Senate the Democrats were not so strong as in the House. To get the bill passed a large number of minor amendments had to be accepted. It finally went through the Senate on September 9 by a vote of 44 to 37. The bill then went to conference and was signed by the President, October 3, 1913.

President Wilson described the Underwood Act as "a competitive tariff." The existing system, he said, had built up "a set of privileges and exemptions from competition behind which it was easy by any, even the crudest forms of combination, to organize monopoly, until at last nothing is normal, nothing is obliged to stand the test of efficiency and economy in our world of big business, but everything thrives by concerted arrangement." For purposes of revenue he would accept taxes on non-protected articles and articles of luxury; but aside from them he would lay duties in such a way that the cost of production in the United States and in foreign countries would be equalized. That course would make the manufacturer in this country a competitor with the foreign manufacturer. Those who opposed the bill contended that the tariff should equalize cost of production plus "a reasonable profit" to the manufacturer. The result of such a course, said Mr. Underwood in elaborating the view of the President, was to protect profits, however small the profits; and it tended to create monopoly.

A "Competitive Tariff"

It was not the intention of the Democrats, said the chairman of the Ways and Means Committee, to disturb existing conditions violently, but they would gradu-

ally bring the tariff to a truly competitive basis, so that it would come at last "to a basis where the American manufacturer must meet honest competition, where he must develop his business along the best and most economical lines; where, when he fights at home to control his market, he is forging the way in the development of his business to extend his trade in the markets of the world. In our judgment the future growth of our great industries lies beyond the sea." Briefly by a competitive tariff was meant a tariff that equalizes cost of production without protecting profits, with the idea that the manufacturer in this country will find the means of better and cheaper production and out of it take a legitimate profit. Such effort, it was thought, would make a more efficient manufacturer, lead him to produce the best products, and enable him to compete with foreign manufacturers and gain his portion of the world's trade. Whether or not this tariff would have worked as its authors expected was never known; for the World War began so soon after it went into operation that it was not possible to know the effects.

Tariff defended

A significant feature of the Underwood Act was the first successful federal income tax. Such a tax, it will be remembered, was laid by the Democrats in 1894, but the Supreme Court declared it unconstitutional on the ground that it was a direct tax and as such must be apportioned among the states. In 1909 Congress voted an amendment to the Constitution authorizing such a tax; and early in 1913 the amendment was ratified by three-fourths of the states and became law. The way was now open, and the Democrats placed an income tax in the Underwood Bill. It laid a tax of one per cent. on all incomes from $3000 to $20,000, with increased rates, or surtaxes, on

Income Tax

greater incomes until incomes of $500,000 were reached, whereupon the rate became six per cent. for any sum. It was expected that the tax would come to about $45,000,000 a year, but in the ten months during which it was applied for 1913 it yielded only $28,253,534.

Tariff lobby

While the tariff was before the Senate great efforts were made by the manufacturers to modify it. The President sought to neutralize these efforts by calling public attention to them. May 26 he gave out a statement in which he said: "Washington has seldom seen so numerous, so industrious, or so insiduous a lobby." He charged that great sums of money were being spent to influence the opinions of legislators and of the people at large. The newspapers rang with excited comment and much was said about a President who would cast aspersion upon the character of Senators. The Senate ordered an investigation from which no report had come at the end of the year, when the House ordered another which reported the existence of several organizations to influence the course of Congress, and pointed out that two — the National Association of Manufacturers and the National Council for Industrial Defense — had sought to prevent legislation by improper means. The committee recommended that McDermott, of Illinois, a Democrat, be censured for his connection with improper agencies. McDermott, however, resigned and appealed to his constituency for reëlection in 1914 and won his appeal. Few people doubted the existence of a strong lobby against the tariff; and it is probable that the President's statement, made to draw the attention of the public, modified the action of the manufacturers.

57. The Federal Reserve Bank

As soon as the tariff bill passed the House Wilson urged that body to take up currency reform. Immediate steps were taken to prepare a bill, and June 26 the Owen-Glass Bill was introduced into Senate and House on the same day. It took its name from the chairmen of the Senate and House committees on banking and currency respectively. It was drafted by them with the aid of the President and Secretary McAdoo.

Owen-Glass Bill

The trouble about the existing system of currency was its rigidity. Prepared during the Civil War, when the chief concern was to issue paper money on a basis absolutely secure, it was natural to make federal bonds the basis of the bank notes issued. As time passed much of the national debt was paid, so that the currency outstanding became fixed in amount. The result was not bad in ordinary times, but in time of panic it enabled wealthy speculators to buy the available money and hold it off the market until interest was unreasonably high or stocks were unusually low. In most other countries such a situation is prevented by having some central bank with the power to issue its own notes in time of uneasiness, charging such a high interest that the borrower will pay his loan and allow the notes to be cancelled when no longer in urgent need. In such countries the currency is said to be elastic, that is, it expands when it is needed in large quantities and contracts when it is not needed in unusual amounts. The Federal Reserve Bank of 1913 was created to give elasticity to the currency.

Elasticity of the Currency

Congress turned to this subject several years before 1913. In 1908 the National Monetary Commission,

Senator Aldrich, chairman, was appointed to study the question and make a report. Two plans were then spoken of, a great national bank with branches, and a system of federated banks by which the existing banks, grouped by sections, would become responsible for the money issued in time of distress. Recalling Jackson's war on the central-bank idea as creating a monopoly, the commission rejected the first of these plans. In 1911 it reported in favor of a central reserve bank, the stock to be owned by all the banks in the country, with fifteen branches in fifteen districts. The whole was to be managed by directors chosen by the owners and it could issue money in time of need. This plan was, therefore, a form of regional grouping but with the control strictly confined to the banks themselves. The plan was opposed on the ground that it would enable a small group of powerful banks to dominate the entire banking system. Although Senator Aldrich tried to alter it to meet some of the objections, it was not passed into law.

Aldrich Bank plan

The Owen-Glass Bill grouped the banks in districts and placed the whole system under the direction of a central board appointed by the government, and the banks were to be excluded from it. This provision was strongly opposed by the banks of the country, which believed that the board should be organized of persons who had banking experience and feared the introduction of politics if the board were appointed entirely by the government. Many of the technical details of the bill were opposed by the bankers. By using his influence with Congressmen as freely as possible the President got the bill through the House without serious amendment, September 18, by a vote of 286 to 84. It received the votes of 24 Republicans and 14 Progressives. In the Senate it

Banking Bill passed

encountered stern opposition and was carried through only after many amendments had been made, by a vote of 54 to 34. It received the President's signature and became law, December 23, 1913.

As finally passed, the act created from eight to twelve Federal Reserve Banks, each in a district. All the national banks were required, and state banks and trust companies were allowed to join. The member banks were to subscribe to the stock of the district reserve bank and be responsible for its operations. The officers of this bank can lend money to member banks on good security. Over these regional banks is a Federal Reserve Board composed of the Secretary of the Treasury, the Comptroller of the Currency, and five other members appointed by the President with the concurrence of the Senate. This board fixes the discount rate of the regional banks, and issues money to loan to the regional banks on approved security. It thus has it in its power to make the currency elastic. The notes issued by the Federal Reserve Board are expected to replace eventually the notes of the national banks. The Secretary of the Treasury was directed to deposit the government funds in the reserve banks, which undertook to act as fiscal agents for the United States. In this way it became necessary to discontinue the old sub-treasuries, which had the disadvantage of keeping a large portion of the currency out of circulation.

Provisions of the law

58. Laws to Restrain the Trusts

Wilson looked on the Underwood Tariff as a move against the monopoly conferred by the old system on the manufacturer. He considered the Federal Reserve Bank as a blow to the monopoly conferred on the great bankers by the rigid currency previously in existence.

Having carried these two laws through Congress he undertook to obtain other laws bringing the trusts more directly under the control of the government than was implied in the Anti-Trust Law of 1890. That law, he said in addressing Congress on the subject, could and should be made to operate so as to punish the guilty and not to punish the innocent business man.

Wilson's attitude toward Trusts

When Governor of New Jersey his friends introduced seven bills to regulate trusts, and the newspapers dubbed them "the Seven Sisters." Five national bills with the same general object were now given to the public, and they were called "the Five Brothers." They provided for: (1) The creation of a federal trade commission. (2) The prohibition of interlocking directorates between railroads, banks, trust companies, coal companies, and other similar corporations. (3) A more explicit definition of the words "contract," "conspiracy in restraint of trade," and "monopolies" as used in the Sherman Act of 1890. (4) The prohibition of certain unfair practices which experience had shown to exist, such as rebates, exclusive trade agreements, and price discriminations. (5) Granting authority to the Interstate Commerce Commission over the issue of railroad securities.

The "Five Brothers"

In the long debate that followed, these bills were changed in many important ways. The first was ultimately passed, the second, third, and fourth were combined into one and passed as the Clayton Anti-Trust Law, and the fifth fell by the wayside, but through no fault of the administration.

Result

The Federal Trade Commission was created to supervise corporations engaged in interstate or foreign commerce except banks and common carriers, whose con-

trol is provided for otherwise. It consists of five commissioners, not more than three of whom belong to the same political party. It is charged with the duty of preventing unfair competition; but to accomplish that end it is given no greater power than to investigate, make grievances public, and bring them to the attention of the courts. It can require reports from corporations, collect information on violations of the anti-trust acts upon the request of the President or Congress, publish information gathered about the corporations — except trade secrets and names of customers — and gather information about foreign trade. It superceded the Bureau of Corporations which Roosevelt established to observe the trusts. It was created with the notion that it would grow into larger power, somewhat as the Interstate Commerce Commission has developed. However, it is a simpler task to supervise common carriers than to control the complex system of organized trade.

Federal Trade Commission

The Clayton Anti-Trust Act was passed "to supplement existing laws against unlawful restraints and monopolies." It contained specific rules against discriminations in business methods to injure or destroy a rival: it forbade interlocking directorates, holding companies, and imposed restrictions on the use of injunctions in labor disputes.

Clayton Anti-Trust Act

One of the obstacles to the enactment of laws against trusts had long been the insistence of organized labor that it should not be held a combination in restraint of trade. By joining forces with the farmers labor was now able to insert a clause in the Clayton Act providing that associations of laborers and farmers should not be considered trusts. Seven years later the Supreme Court held that this act did not legalize the secondary boycott — the organized refusal to trade with persons

or firms who maintained relations with boycotted persons or firms.

Railroad Securities

The bill to regulate the issue of railroad securities provided that the Interstate Commerce Commission should pass on such securities before they were offered for sale. The purpose was to provide against the creation of watered stock and thus be able to compute the fair valuation of railroad property in the future. The bill passed the House easily and was in a fair way to pass the Senate when it was dropped by those who had introduced it. The European war was then in full course. Business of all kinds was suffering, and it was believed that under the circumstances no restrictions should be imposed which might make it harder for the railroads to market their securities.

Reform Wave at its crest

Thus, the World War interrupted the progress of reform that Wilson was directing. How much farther he would have gone if no war had occurred does not appear. The passage of one measure after another by ever increasing majorities shows that the nation was not hostile to the President's program. In the House the last of his measures, the bill relating to railroad securities, received only 12 adverse votes, and the Clayton Act received only 54 adverse votes. These bills embodied reforms that had been received with jeers when advocated by Roosevelt. In 1914 the country was willing to settle the trust question. The coming of the war brought an era of great prosperity, other problems arose, and the impulse for reform lost its headway.

59. Wilson's Dealings with Mexico, 1911–1917

When Wilson became President Mexico was in a state of revolution. Diaz, after ruling by military force

for thirty-five years, was driven out in 1911 by Madero, who, in turn, was overcome and captured by Victoriano Huerta in February, 1913. Three days later he was murdered at night while being moved by Huerta's officers from one prison to another. In Mexico many political prisoners have been killed in this way, and it was believed in the United States that Madero's death was either arranged by Huerta or compassed by others with Huerta's connivance. Taft took no notice of these events, not wishing to commit his successor to any specific policy.

Murder of Madero

To understand the situation into which Wilson was thus thrust we must know something about conditions in Mexico. Under Diaz's thirty-one-year régime foreign capital was encouraged to enter the country, and many persons from the north of the Rio Grande bought mines, built railroads, and invested in other forms of the undeveloped Mexican resources. Among them was Edward L. Doheny, oil producer in California, who in 1900 appeared at Tampico to investigate the oil seepages near the port. The result of his prospecting was that he and his partner bought 620,000 acres of land, organized the Mexican Petroleum Company, and opened a vastly profitable enterprise. Their success attracted other oil producers, and European and American capital was spent freely in machinery, storage tanks, buildings, and pipe lines.

Mexican oil industry

Eighty per cent. of the Mexican people are of pure Indian stock, and three-fourths of the remainder are of mixed blood. A very small minority of wealthy men own most of the land. The landless people are illiterate, passionate, and easily led into war by shrewd agitators. They furnish the fighting men in the revolutions, most of which are led by losing aspirants for political office. Madero raised his

Social classes

army from this class by promising to distribute the lands, but when he did not redeem his promise his supporters fell away, attaching themselves to several local leaders, who were able to defy the regular authorities in their respective sections and raise serious disturbance in the republic.

Another condition should be mentioned. When the foreigners began to arrive under Diaz the landless natives took little notice. They did not object to exploitation of Mexican resources by foreigners nor to the building of railroads and opening of mines and oil wells. Objection came from another class. The upper-rank Mexicans, who had exploited the country for centuries without uncovering the wealth the foreigners were taking, now raised strong objections; and they were especially alarmed at the advance into their industry of the aggressive men from the United States.

Fears of Mexican Capitalists

These three facts — the growing power of foreign capitalists; the large mass of discontented natives who could be organized into armies ready to serve him who offered most; and the increasing fear felt by the native capitalist lest the foreigners should take away from him the business opportunities of his own country — all these were the background of the trouble Wilson encountered in Mexico. Difficulties began when he refused to recognize Huerta, whom he believed responsible for Madero's death. He hoped that his refusal would impress the minds of the Mexicans and show them they could not have the friendship of the United States if they followed the methods of barbarous people. For the time his course only seemed to infuriate them.

Wilson's purpose

Wilson's refusal to recognize Huerta was resented also by United States citizens with business interests

in Mexico. They felt he should follow the example of European nations who, before Wilson's inauguration, recognized Huerta as the *de facto* power. It was not for us, they said, to set up standards of conduct for Mexico; and in any case, the United States should protect the property and lives of their law-abiding citizens in all foreign countries. These views were echoed by a large portion of the people at home. Wilson's political opponents took up the cry and made much capital out of it. It was an issue on which both the old-line Republicans and the Progressives could unite. On the other hand, a large portion of the people were unwilling to get into trouble in Mexico to protect the oil interests. A war with that country would cost many lives and much money. Who would be willing, they asked, to assume this task for the benefit of no one but those who had bought Mexican property cheaply, subject to the risks of a disorganized country, and now asked the government to make their great bargains secure? It was a perplexing problem.

Criticisms at Home

Wilson thought that witholding recognition would force Huerta to hold an election in a constitutional way. In 1913 he sent John Lind to Mexico, not as an ambassador, but merely as his representative. Lind was to offer Huerta a peaceful settlement on condition that he made peace, granted amnesty to Carranza — who had raised a revolt in the North — and held a fair election for President in which he, Huerta, should not be a candidate. These terms were rejected with scorn. Wilson left the stubborn Mexican Chief to try his fortunes at civil war. Carranza gained steadily in the North, using arms which he was allowed to buy freely in the United States. Wilson dubbed this policy "watchful waiting." It did not please the foreigners in Mexico, who wanted

"Watchful Waiting"

to see peace established, nor the European powers who looked to us to establish peace and order, since by the Monroe Doctrine we would not allow any European power to interfere.

The Tampico Incident

April 10, 1914, the relations between the two countries came to a clash through an unexpected incident at Tampico, where a United States naval force was assembled. A boat was sent ashore to get gasoline for the fleet. The crew landed at a forbidden place and were arrested by a subordinate officer. They were soon released and an apology was tendered. Admiral Mayo, commanding the United States squadron, thought this an insufficient atonement and demanded that the Mexicans salute the stars and stripes. Huerta, feeling that he was being unnecessarily humiliated, refused to salute. The matter was referred to Wilson, who supported the Admiral.

Vera Cruz occupied

Then followed eight days of diplomatic thrust and parry, in which no progress toward adjustment was made. Meanwhile, the United States ships in Mexican waters were increased in numbers, and to many it seemed that the long expected "cleaning up" of Mexico was about to begin. Then came news that a German steamer was approaching Vera Cruz with arms for Huerta's army. Since the United States could not order it away, it was decided to prevent the landing of the arms by seizing and holding Vera Cruz. On April 21 that place was captured after some resistance in which the attackers lost eighteen men killed and the Mexicans a larger number. It seemed that war had begun, but a few days more showed that the city was to be held merely as a punitive measure.

Meanwhile, Argentina, Brazil, and Chile — the "A B C powers" — offered to mediate. Both sides accepted

and views were exchanged, resulting in an agreement to establish a provisional government in Mexico to take the place of the authority of both Huerta and Carranza. Huerta's power was now much weaker while Carranza's was becoming very strong. The agreement failed because Carranza would not accept it. The struggle continued until July 15, when Huerta gave up the contest and went to Europe. Wilson had started out to force Huerta from the place he had usurped, and out he was. The victory was of slight comfort; for Carranza, whom Wilson had aided in many ways, was at once in a quarrel with his lieutenant, Villa, who raised a revolution in Northern Mexico; and peace seemed as remote as in the days of Huerta.

"A. B. C. Powers"

Wilson had hoped that Carranza would do what Huerta had refused to do; hold an honest election and leave the country to decide in a constitutional way who should be President. But Carranza was immovable. Much chagrined, Wilson again called on the "A B C powers" to consider the situation. They held a conference and advised that Carranza's régime be recognized as the *de facto* government. Wilson complied, and for the first time in two and a half years intercourse was resumed between the two countries. Other nations followed our example, but Carranza was not strengthened materially by this action; Villa disputed his authority in many parts of the country, and raging against the United States for the decision in favor of Carranza he raided the New Mexican town of Columbus (March 9, 1916), killed several United States citizens and destroyed much property.

Carranza unyielding

This indignity called for retaliation; and, March 15, Brigadier-General Pershing entered Northern Mexico

with 6,000 men to capture Villa and disperse his force, Carranza giving an unwilling consent. Villa was wily and persistent. He broke up his force into small bands and hid in the hills. Always informed of the approach of his pursuers he eluded capture; and although Pershing penetrated Mexico 400 miles he did not take Villa. For nine months he marched from place to place without positive results. While he was far in the Mexican interior Villa made a second daring raid across the border, and escaped safely into his own mountains. A second pursuing force was sent after him, but it was of no avail.

Pershing in Mexico

The United States government now made a demonstration of force on the border, where 16,000 regulars had already been assembled, but they were not enough to supply a column for Pershing, and also to patrol a boundary 1,500 miles long. In the summer of 1916 the National Guard was mobilized embodying all the state militia; so that by the end of the year 110,000 armed men were on the Texas border. The step did not overawe Carranza; but the process permitted this important part of the national defense system to get some much needed training. The regiments at that time called out in this service were later on to do some of the best fighting done in the American Expeditionary Forces in France.

National Guard mobilized

Thus passed the year 1916, Carranza demanding the withdrawal of Pershing and Wilson trying to get Carranza to hold an election and settle the government on a constitutional basis. At the close of the year matters seemed to come to a more harmonious state. In January, 1917, when it was becoming ever more probable that we should be drawn into the World War, Pershing was withdrawn. In January Mexico adopted a new constitution, under

Pershing withdrawn

which Carranza was elected president in March; and shortly afterwards a United States ambassador took up his residence in Mexico City. Villa was still strong in his mountains, but he had ceased to trouble the United States, and Carranza took upon himself the task of suppressing him.

Was Wilson's purpose justified?

Wilson's Mexican policy was severely criticized by his opponents and furnished an argument in the presidential campaign of 1916. It was begun in good faith to make the Mexican people realize that the United States would not treat with cordiality a political usurper who countenanced violence. As it progressed, it developed difficulties that were not foreseen at first. The antagonism of American citizens holding interests in Mexico, the resentment of the Mexicans at foreign dictation, and the utilization of the situation by Wilson's political opponents, all contributed to make the policy of "watchful waiting" very difficult. Whether or not it will have a permanent influence in modifying the Mexican tendency to revolutions remains to be seen.

CHAPTER VIII

THE PERIOD OF NEUTRALITY (1914–1917)

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61. Preserving Neutrality

At the outbreak of the World War President Wilson issued, August 4, 1914, a proclamation of neutrality, warning the citizens to commit no act favoring either side. August 18 he gave out an address urging leaders of public opinion to use their influence to promote real neutrality. Many citizens were akin to some of the belligerents and sympathized with them, and it was feared that by discussing war responsibility hatred would be created among our own people, and one class be arrayed against another.

Neutrality

Each side in Europe wished to win our sympathy, and each side established propaganda here, but Germany was most visibly active. More than eight millions of our people were either born in German countries or descended from at least one

German propaganda

parent who was born there. Before the war efforts were made to bind our German-Americans together in societies to preserve German ideals; and in 1902 the German-American Alliance was created with close relations to a society in Germany for spreading German ideals. When the war began this Alliance was very active in the United States. Moreover, agents arrived from Germany to work in Germany's interest, and persons connected with the German embassy in Washington added their efforts. The British and French also conducted propaganda but it was done quietly and did not give the same amount of offense.

Propaganda methods

The efforts in Germany's behalf were of several kinds. Leaders of German-Americans in the political world began to attempt to influence the action of Congress. Much was said about the power of the German-American vote which frightened some Congressmen. This agitation continued until we entered the war. One demand was that the government prohibit the export of munitions, of which the Entente Allies were buying large quantities. It was well recognized in international law that a belligerent could buy munitions and other supplies in a neutral country; and under this principle Germany sold them freely to the Boers in the Boer war, 1899–1902. She could now have bought them as freely in our country as her opponents, but soon after fighting began she lost control of the sea and could not take them home. Even if the neutrality laws were bad, as she contended, it would have been an unneutral act if the United States had changed them in time of war.

The pro-German leaders also demanded that our citizens should be warned not to travel on belligerent passenger ships. The contention was resisted by the

government, because such travel was clearly within our rights, and to give it up was to aid Germany against her enemies. In the presidential election of 1916 the German-American leaders made great show of their power, and asked the candidates to declare themselves on the German question. The effect was the loss of many friends, men who did not relish bringing foreign disputes into domestic politics. Eventually German-Americans abundantly proved their loyalty to the government of the United States on many a battlefield of France against the German armies. The strength of the pro-German opinion before the war was greatly exaggerated.

Right to travel

From political interference the German agents turned to fraud and violence. It was proved in the courts that they obtained false clearance for ships destined to carry supplies to German warships at sea. They also used fraudulent passports to send German reservists home and to dispatch spies into Entente territories. Fires and explosions occurred in factories making munitions and other articles for the Entente nations, and bombs were discovered in the holds of ships bound for Entente countries. Plots were discovered to destroy bridges, railroads, canals, and other parts of the transportation system in Canada. It was also found that German agents tried to get the employees of munition plants to strike in order to lessen the output going across the sea. Captured papers showed that Dumba, the Austrian ambassador, and several German agents of lower rank were actively concerned in these matters. The ambassador was recalled by Austria-Hungary when President Wilson had protested against his conduct.

Fraud and violence

62. War or Peace?

Each side in the war felt that it was engaged in a life and death struggle; and each stretched international law to the utmost in order to distress its enemies as much as possible. Neutrals had good reasons to complain against each. The United States suffered wrongs from both sides, and made protests accordingly, to which little attention was paid. Good reason could have been found for declaring war against either side; but there was one great difference between the acts of provocation: the wrongs sustained from the Entente Allies were in property losses and the settlement would be in money. Careful record was made of these acts with the idea of presenting claims after the war ended.

Wrongs from each side

Should the United States have gone into the war in the beginning? The financial wrongs sustained from the Entente Allies were not such as have usually been deemed to demand immediate war. Napoleon seized many of our ships in his day, and we replied by presenting claims for restitution, claims which France eventually paid. Until we entered the war it seemed that a similar course would be followed with respect of the damages inflicted by Great Britain and her allies. Such was the patent reply to those who asked that war be declared against the Entente.

On the other hand, the deeds of Germany, involving the loss of the lives of our citizens, did not admit of such a long delay in settlement. By all precedents they demanded war if persisted in defiantly. Pressed by President Wilson for assurance that they would not be repeated, the German government made a continuous show of yielding or half-hearted disavowal, so that hope was never quite

Did Wilson wait too long?

exhausted that the illegal practices would be abandoned. Believing that war should not be declared as long as there was hope of adjustment Wilson industriously employed diplomacy to get the Germans to stand by the old rules of warfare.

Moreover, the war grew out of nothing for which the United States was responsible. It was but another phase of the age old rivalry of European powers, touched off by the ambition of Germany. It grew out of a system of diplomacy for which our people had no liking. To them the entire situation was the result of bad ideals and mad ambition. As the struggle progressed, however, they came to believe that the triumph of Germany would imperil liberal government in the world; and as German success became more probable they slowly formed the opinion that the United States would have to take part in the war in order as Wilson said "to make the world safe for democracy." To that slowly awakening conviction Germany finally gave a live impulse by using unrestricted submarine warfare. It seems certain that the large majority of the American people were not ready for war at any time before the country actually entered it.

Not our war

63. Great Britain and Trade Restrictions

After a few naval battles in distant seas Great Britain's navy had command of the surface of the ocean, and she used it to cut off Germany's foreign trade. Then the Germans began to import through Holland, Denmark, Norway, and Sweden; and the Austrians through Italy, which had not yet entered the war. Under the old rule neutral goods, even contraband of war, bound to a neutral port in a neutral ship could not be seized. Great Britain contended that she had a right to seize goods going

Continuous voyages

through a neutral nation into enemy territory, on the ground that the voyage was really continuous through neutral land into enemy territory. This doctrine of "continuous voyage" was urged by the United States during our Civil War when British goods were being shipped to Havana or Nassau and thence by fast blockade-runners into the ports of the Confederacy. At that time the United States claimed the right to seize the goods before they reach Havana or Nassau on the ground that the voyage was continuous. Great Britain disputed the contention but the United States Supreme Court sustained it.

During the World War the doctrine was again up between the United States and Great Britain, each side now taking a position opposite to that it held fifty years earlier. Up to 1917 neither side gave in to the other. Britain stopped many ships flying our flag bound for a neutral port. Sometimes she seized the cargo, and usually she paid the owners for it and released the ship. After a while she allowed as large a quantity of goods to go to a neutral country as she thought were demanded for consumption there, and no more. She even placed agents in such countries to see that such supplies did not go into Germany. The United States never accepted this interpretation of international law; and it is likely that at the end of the war we should have made large claims for damages on the Allies if we ourselves had not been drawn into the conflict.

Growing mass of claims

Another source of irritation was the British construction of the law of contraband. In 1909 the Declaration of London was formulated. It was a revised code of maritime law prepared by a conference met in London and composed of representatives of the important maritime powers. The

Declaration of London

Declaration was accepted by the British cabinet; but by the use of a technicality the House of Lords, influenced by the urgent arguments of leading statesmen, withdrew the adherence of the government, and the agreement failed. France gave it the effect of law in 1912 but did not promulgate it. Germany accepted it technically on August 3, 1914, two days after she was at war. The United States Senate accepted the Declaration but President Roosevelt did not ratify nor proclaim it as law.

When the war began our government asked Great Britain to withdraw her veto of this Declaration. The reply was an acceptance with modifications, most of which related to the articles she would hold as contraband. The original Declaration divided commodities into three kinds: absolute contraband, conditional contraband, and absolute non-contraband. Long lists of articles were given under each heading. The British modifications enlarged the first class by thirty-two articles and seriously diminished the number of articles in the third class. As time passed and it became more clear that hitherto non-contraband articles were being used in the manufacture of munitions the list of absolute contraband was extended. For example, cotton was in the third class by the Declaration of London. It was soon seen that it was a necessary constituent of high explosives and it went into the first class. The action of Great Britain with respect of contraband and continuous voyage was accepted by France, Russia, Italy, and the remainder of her allies, but never by the United States while a neutral.

British Contraband

When the United States found that Britain would not accept the Declaration of London, at least during the war, they announced that the Declaration was not in force, since it was understood in the beginning that it was to go into operation only when accepted by all

the ten powers that had united in drafting it. So long as this instrument was not operative, we claimed that we should abide by the general code of international law for our rights and duties. It was under that code, and not under the Declaration, that we made protests against the rule of continuous voyage and the extension of contraband.

Position of United States

Germany took notice of all these modifications of the rights of neutrals by Great Britain and protested against what she called our acquiescence in the violation of our rights. She held that the United States were not neutral because they did not resist to the extent of war Britain's departure from the recognized rules of international law. At the same time she, also, committed acts equally opposed to international law, against which the Entente protested with earnestness equal to that of the Germans. This country stood between the two sides protesting against wrongs from each. Gradually it came to be thought that the action of Germany was the more grievous.

64. German Defiance of the Rights of Neutrals

At the beginning of the war the British fleet shut up the German fleet in the German harbors and kept it there during the remainder of the war; and the few cruisers already at sea were hunted down and destroyed. Germany's only weapons left for operations at sea were, therefore, submarines and mines. She used them to destroy ships carrying supplies to her enemies, to make dangerous the sea routes near the British coast, and to cut off the war materials which the Entente Allies were purchasing abroad.

Submarines and mines

It was a grim struggle and grimly carried through. Aimed at the belligerents, it necessarily reached the neutrals; for when a mine was planted to deal death to

a British ship no one could tell what neutral might be on such a ship. When a submarine sank such a ship it could not wait to see if neutrals were aboard. With a new and effective instrument of destruction in hand, the Germans threw over the old rules of warfare at sea, declaring that new implements justified new methods. The United States alone of neutrals was strong enough to make a considerable opposition to that course.

North Sea "military area"

Germany seems to have begun the use of mines shortly after the war opened by sinking them from disguised merchant ships in the North Sea and near British ports. In retaliation Great Britain placed a mine barrier across the southern part of that sea, hoping thereby to keep the mine layers from leaving German waters. The barrier did not prove successful: mine-layers reached the western shores of England, mines were planted in the paths of ships bound for Liverpool and northern Ireland, and vessels, private and public, were destroyed and lives lost. Consequently, on November 3, 1914, the British Government declared the entire North Sea a "military area" announcing that neutral ships would enter it at their peril. Such craft trading with the Northern Neutral Nations were advised to use the British Channel, where directions would be given them for going safely to their destinations. Many United States ships were detained under this order. The State Department protested and a correspondence ensued which produced no decisive result. January 20, 1915, the German Government took over for public administration all the corn, wheat, and flour in the Empire; and the British thereupon declared such articles contraband and subject to seizure when intercepted, the ground being that all the flour in Germany was taken over to support the war and that all Germans were really engaged in the war.

Germany looked upon the measures taken by Great Britain as violations of international law. In retaliation on February 4, 1915, she declared that waters around the British Isles were a "war zone" in which the British merchantmen would be destroyed; and she added that destruction would occur "even if it may not be possible always to save their crews and passengers." It was also declared that since British vessels were in the habit of using neutral flags for purposes of disguise, it would not be safe for neutral ships to enter the said "war zone." To execute this plan Germany relied on submarines, which had undergone a remarkable development during the short period for which the war had lasted. At the beginning it was thought that a submarine could not stay at sea more than three days: it was now known that the larger type of the craft could remain at sea fourteen days, long enough to pass around the British Isles. The assertion that British ships used neutral flags to protect themselves was not true in general, although two Cunarders admittedly used United States flags when entering and leaving harbor. Although the practice was permitted by international law, Great Britain issued orders against it in the future. If Germany had been sincere on this point the action of Britain would have satisfied her. It seems probable that the flag incident was made the pretext for a wider policy in contemplation. Still the Germans continued to refer to it as justification for measures against neutral ships.

Germany's "War Zone"

Neutral flags

Another principle involved was the treatment of crew and passengers on merchant ships sunk by a belligerent cruiser. The rule of international law on the subject provides that the merchantmen must not be sunk unless these persons are placed in safety. Germany vio-

lated the rule, claiming that a submarine could not wait to put them in safety. Wilson never accepted that claim, and in a long drawn out negotiation tried to get Germany to abide by the rule. It was on this point that war at last occurred between the United States and Germany. This principle was usually referred to as "the rule of cruiser warfare."

Cruiser warfare

The British reply to the German note of February 4 was the blockade announced in Parliament on behalf of Britain and France on March 1, 1915. The word "blockade" was not used; for if employed it might have been necessary to apply the old rules of blockade, which were not possible on seas infested with submarines. It was proposed that ships "carrying goods of presumed enemy destination, ownership, or origin" should be taken into a British port, searched, and confiscated, either as to ship or cargo, if found liable to confiscation. The reference to destination indicated that goods bound for the Northern neutrals were to be seized. The State Department asked immediately if the proposed measure was a blockade or not a blockade and insisted, if it were a blockade, that the rules for blockade should apply.

Blockade or no blockade

The British did not answer the question directly. In the long correspondence that followed they brought out clearly the difference between their proceedings and those of Germany. The Entente Allies, said they, were trying to do for Germany what Germany was trying to do for them, that is, stop the entry of supplies and thus bring the war to an end. But, said they, the methods used on each side were notably different. To accomplish their purpose the Entente used every possible care to prevent unnecessary injury to neutrals. They seized cargoes only, and frequently they paid the owners for

them; in most cases the ships were allowed to go free; always the lives of neutral persons were spared. In German warfare, they pointed out, neutral ships were destroyed, the cargoes were irretrievably lost, and no care was taken to save lives. It was a true statement of the case, but it did not answer our question. The offense of Germany, however, was the heavier, and as it became more and more evident, public opinion in the United States minimized the British wrongs in its overwhelming interest in the activities of the submarines. The destruction of the *Lusitania,* May 7, 1915, was the turning-point in this process.

Two wrongs

65. Wilson's Efforts to Curb the Submarine

Against the German announcement of February 4 the government of the United States made vigorous protest. The only right under existing law — so ran the argument — that Germany could have was the right of visit and search, unless a blockade were declared; and it was not understood that Germany meant to make such a declaration. It was further said that the destruction of a United States ship in the manner alluded to would be held a most unfriendly act, for which Germany would be held "to a strict accountability." Germany replied by calling attention to Britain's interference with neutral trade as contrary to international law, referring especially to the seizure of food bound for Germany, which had hitherto been considered non-contraband. She protested against the sale of munitions to her enemies as an unneutral act and claimed the right to use submarines in intercepting them as contraband. She promised, however, to "refrain from violent action against American merchant vessels, so far as they could be recognized."

"Strict accountability"

To the German people our trade in munitions seemed

unneutral. Von Bernstorff, German Ambassador, put it in these words: "If the American people desire to observe true neutrality, they will find means to stop the exclusive exportation of arms to one side, or at least to use the export trade as a means to uphold the legitimate trade with Germany, especially the trade in foodstuffs." His idea was that we might say to the Entente: "If you do not allow non-contraband trade to go to Germany, which is within international law, we shall stop your purchase of munitions, which is also within international law." Supporting his contention, he cited President Wilson's refusal to allow either side in the Mexican conflict to buy arms in our country.

Bernstorff on neutral trade

To this argument Secretary Bryan replied that we had not consented to the stoppage of non-contraband trade by Great Britain. It was well understood that we should make her settle for it in due time. Furthermore, the government held "that any change in its own laws of neutrality during the progress of a war, which would affect unequally the relations of the United States with the nations at war, would be an unjustifiable departure from the principle of strict neutrality." This view of the matter was not accepted by Germany, who evidently thought that if we did not fight to enforce rights against one side of the war we would not fight to enforce rights against the other side.

Bryan's reply

Meanwhile the effect of the German submarine operations was beginning to be seen. Three ships flying the United States flag were destroyed outside of the war zone proclaimed around the British Isles. In that area the *Falaba,* a British liner, was sunk with the loss of 111 persons, one of them a citizen of the United States. Soon afterwards two merchant ships

Submarines begin work

flying our flag were attacked. It was evident that the ships of the United States were not to be respected. In sinking the ships of Germany's enemies it was inevitable that some of our citizens would be on board Serious people waited fearfully for the overt act by which Germany would avow her defiance of our contention of right.

Lusitania destroyed

Such an act was the destruction of the *Lusitania,* May 7, 1915, off the Irish coast from two torpedoes fired by a German submarine without warning. The ship sank in eighteen minutes taking down 1,153 persons, men, women, and children; and 114 of them were citizens of the United States. In principle the sinking of the *Falaba,* forty days earlier, was the same as that of the *Lusitania;* but that was a small ship and the *Lusitania* was a great one. The one citizen lost on the *Falaba* was a man of humble position. Among the 114 lost on the *Lusitania* were some men and women of great wealth and social prominence. Hence the effect of the second disaster was astounding. Moreover, the destruction of the *Lusitania* had the appearance of deliberation. On the morning she sailed, the New York papers contained advertisements inserted by the German Embassy warning passengers that they took passage on British liners at their own risk. The indignation of the country was so great at what seemed a deliberate act of contempt that President Wilson would perhaps have found at that moment a hearty support if he had called Congress and asked it to declare war.

Wilson's three notes

Wilson did not wish to precipitate war until the possibility of diplomacy had been exhausted. He believed it was the part of a wise executive to make a declaration of war the last honorable thing. His efforts were directed, therefore, to getting Germany to promise that in the future she would

respect the rules of cruiser warfare, and for this purpose he wrote three notes over Secretary Bryan's signature. The first contained a courteous diplomatic demand for disavowal and reparation, to which the Germans replied by saying that the *Lusitania* was an auxiliary cruiser, that she was armed, and that she was carrying ammunition; and they asked the President to take these facts under consideration. Wilson replied that the ship was a merchantman and had no guns except those needed in her own defense. It was later found that the *Lusitania* carried ammunition, which, however, did not make her liable to be sunk on sight. Wilson closed by saying that he still expected a reply to his first note. The Germans took a whole month for their reply which continued to evade the issue. July 21 Wilson sent his third note. He recounted the stages through which the controversy had gone and said that the repetition of the offence would be considered by us "as deliberately unfriendly," which was diplomatic language for "a ground for war." On the same day he directed the Secretary of the Navy to have experts prepare a comprehensive plan to place the navy in a state to defend the nation in active war if needed.

German enthusiasm

The destruction of the *Lusitania* caused popular joy in Germany, where most of the war leaders wished to throw all restraint aside and sink ships bound for enemy ports without restriction. The German Foreign Office did not wish to bring the United States into the ranks of their enemies and strove to restrain the demand for unlimited use of submarines. Nevertheless so strong was the wave of enthusiasm at the moment that the moderate group did not dare accept Wilson's demand for disavowal and reparation. Still the German government seems to have softened the orders to submarine commanders, and for some weeks these

officers gave warning before destroying ships and allowed crews and passengers to leave the doomed vessels.

August 18, however, the British liner *Arabic* was sunk with the loss of 29 of our citizens. It was a flare-up of the defiant spirit of the militarists. Bernstorff hastened to ask that no action be taken until he could hear from Germany. A few days later he informed the President that before the *Arabic* was sunk orders had been given by his government that liners would not be sunk without warning and without allowing persons on board an opportunity to get off. This was the first evidence that the German government really wished to avoid war with us. October 5, 1915, Germany made apology and disavowal for the *Arabic* attack, which seemed to show that the submarine controversy was ended, and without war. Wilson's firm stand displeased Secretary Bryan, who resigned. He was succeeded by Robert Lansing.

The *Arabic*

For more than five months things went on smoothly and then on March 24, 1916, the *Sussex,* a British channel steamer was sunk by a submarine with loss of several citizens of the United States. Wilson promptly informed the German government that intercourse would be suspended if the existing method of submarine warfare was not abandoned. May 4 came notice that the following order had been issued by the German government: "In accordance with the general principles of visit and search and destruction of merchant vessels recognized by international law, such vessels, both within and without the area declared as naval war zone, shall not be sunk without warning and without saving human lives, unless these ships attempt to escape or offer resistance." The civil power in Berlin had triumphed over the militarists,

The *Sussex*

and for the time President Wilson's course had "kept us out of war."

66. Preparing for the National Defense (1914–1917)

In 1914 the army of the United States contained 85,965 officers and men and 5,733 Philippine scouts. The National Guard contained 128,043 officers and men, some of them well trained for militia. Except for two brief periods of service on the Mexican frontier these troops in 1917 had never been assembled in a unit as large as a division. The disagreement with Mexico showed the need of better means of defense, and in April, 1914, Congress passed an act authorizing the President to call out volunteers for not more than four years, whenever war threatened or had actually begun. A feature of the law was that the President was not to appoint in this force any officer higher than colonel. It thus abolished the practice, previously very harmful in our volunteer armies, of appointing high volunteer officers from the ranks of the politicians. The equipment for this army was inadequate. The airplanes were few and inefficient, the artillery was scant and of inadequate calibre. The supply of artillery ammunition was believed to be sufficient for the few guns we had; but at the rate of consumption in the World War it would have lasted them about two days.

Act of April, 1914

Military preparation

Bitter things have been said about our lack of preparation for war. But the essential cause was the feeling that we were protected from danger by our remoteness from Europe and by superiority in the Western Hemisphere. To support a great army under such circumstances seemed extravagant. The high cost of armies in the United States was also a factor in making a great army unpopular. Before

Size and cost of armies

the World War the cost of maintaining a soldier in Germany was $210, in Russia $294, in France $330, in Great Britain $522, and in the United States $1049. In 1914 the United States Navy was third in strength among the navies of the world, the German Navy being second and the British Navy first. The personnel was excellent and the navy had the confidence of the public, although there was much criticism of the Secretary of the Navy then in office.

"Hay Bill"

The tense feeling arousd by the destruction of the *Lusitania* and other victims of the submarines created a desire for a better state of the national defense. The President shared this feeling, as is shown by the order, issued on the day he sent the third *Lusitania* note, for placing the navy in a state to meet a serious crisis. A few days later he inaugurated plans for increasing with a similar view the strength of the army. Both measures came up in the next session of Congress with the result that the "Hay Bill," passed in 1916, provided for a regular army of about 186,000 officers and men and a federalized National Guard to be enlarged until it comprised 424,800 men, which was at the rate of 800 for each Senator and member of Congress. For training officers provision was made for a Reserve Officers Training Corps at colleges and universities. In the same year Congress authorized the expenditure of half a billion dollars on a three-year program for constructing new ships for the navy. These preparations seemed trivial a year later when we plunged into the war ourselves; but in comparison with our traditional policy of defense they were an important step forward.

The vast demand for supplies of all kinds for carrying on the war in Europe showed how little the United States was prepared to support an army after it was

raised; and in consequence some steps were taken in that direction in 1916. To maintain commerce on the seas a Shipping Board was created with authority to spend $50,000,000 in buying or building ships. Public opinion hesitated over public operation in competition with private enterprises, and it was provided that the ships might be leased to private interests for service, or operated by the government if they could not be leased satisfactorily.

Preparation of supplies

Another useful thing was the tabulation of the resources that could be mobilized for use in war. Probably most important of all was the work of the General Staff of the army, created through the efforts of Secretary of War Root in 1903, in working out plans for a great army. The possibility of being called to take part in the struggle then going on made this work very real. It was done so effectively that when the call came it was only necessary to put into operation a program that had been considered and adjusted in most of its details.

In the midst of these things came the Presidential election of 1916. The Democrats nominated Wilson for a second term. The Republicans, chastened by the events of 1912, had no trouble in bringing together the two wings of the party. Roosevelt led all but a resolute few of the Progressives of 1912 back into the party. Vigorous attempts were made by his friends to force his nomination, but they were in vain. The choice fell upon Charles E. Hughes, formerly a reform Governor of New York, and then a Justice of the Supreme Court.

Wilson a Candidate

In the campaign little was said against Wilson's attitude toward the war. Some speakers criticized his slowness in assuming a defiant attitude toward Germany, but for the most part his neutrality policy and his do-

mestic reforms of 1913–1914 were left unopposed. Some bitter criticisms were passed on his Mexican policy, which many people had believed was not in keeping with the dignity of a great nation. Another point was the attitude of the German-American leaders, who openly sought to know which candidate was most favorable to Germany. The prompt reply of Wilson let it be known that he would not make the policy of the United States depend on the interests of a foreign nation. The pro-Germans then turned to Hughes, who was placed in a delicate situation. If he received them favorably he lost the good will of a great many people ardently opposed to Germany. If he discouraged them he would not get the large German vote. He tried to follow a non-committal course, with the result that he lost measurably the good will of each side. Perhaps the most decisive fact in the voting was the feeling that Wilson, by his patient and much criticized negotiations with Germany had at last got her to recognize the rules of cruiser warfare. By this means he won the support of the people, who saw with ever growing horror the devastation and mad destruction that war was bringing to Europe. The Democratic campaign slogan was: "He kept us out of war." The result of the election was 276 electoral votes for Wilson and 255 for Hughes. The popular vote was 9,116,296 for Wilson and 8,547,474 for Hughes.

Campaign issues

"He kept us out of war"

67. War Declared against Germany

When Germany sent the note of May 4, 1916, agreeing to use her submarines according to the rules of cruiser warfare, that is, "in accordance with the general principles of visit and search," she said that in return she expected the United States

German promise

to insist that Great Britain should abandon her practice in regard to blockade and continuous voyage. Replying to this Secretary Lansing said that we could not agree that German respect for our rights was "contingent upon the conduct of any other government." Germany made no reply; but it was evident that she meant to bring back the controversy to that point, if she ever decided to retract her promise stated above.

When that promise was made Germany had hopes of breaking through the lines in France and ending the war. Late in the year her efforts had not been successful, her strength was running low, and her people were asking why the wonderful submarines were not used to the extent of their capacity. The reply from the German Foreign Office was that in deference to the wishes of the United States the submarines were ordered to sink no hostile ships unless crew and passengers could be placed in safety, to which the Germans replied that it was not well to defer so much to a country which furnished vast quantities of munitions to slaughter German soldiers. Under this pressure the German diplomats could not longer maintain the promise of 1916. Public opinion, led by the militaristic class, overrode them, and the Kaiser cast the die for unrestricted submarine warfare. January 31, 1917, Ambassador Bernstorff in Washington informed the President that from the following day submarines would destroy without restriction all ships, whether neutral or hostile, encountered in a specified area around the seacoast of the enemies of Germany. Promptly, February 3, the Ambassador received his passports; and diplomatic intercourse with Germany was suspended.

Unrestricted submarine warfare

The same day a cable dispatch was sent recalling Ambassador Gerard from Berlin. He received the mes-

sage, February 5, and demanded his passports at once. They were not delivered until the 9th on the alleged ground that it was reported in Berlin that Bernstorff was being treated discourteously in Washington, and that German ships had been seized and German sailors imprisoned. When these reports were contradicted, Gerard was allowed to depart. While waiting he was asked to sign a treaty pledging that German property should not be seized, in case of war. He refused to take steps because his authority had ceased with his recall. He was then threatened with detention until guarantees were given, but he stoutly declared that he would give none. February 10 he was allowed to depart with no promises made. The awkward attempt to coerce him and his defiance only served to concentrate and stimulate the rising war feeling in the United States.

Recall of Gerard

Events now came rapidly one after the other. February 25, the British liner *Laconia* was sunk and two citizens of the United States were killed, no attempt being made to place the non-combatants in safety. The scene was 150 miles from land and the attack was made at night in rough weather. March 9 it was announced that our merchant ships would be armed for self defense, and Congress was called to meet in extra session, on April 16. March 18 came the news that three more United States ships had been sunk by submarines. March 21, Congress was called for April 2, two weeks earlier than at first announced. April 2 the President, escorted by cavalry, rode down Pennsylvania Avenue and addressed the assembled Congress on the situation. In this famous speech occurred the following words: "The world must be made safe for democracy. Its peace must be planted upon the tested foundations of political liberty. . . .

Wilson's appeal for war

It is a fearful thing to lead this great peaceful people into war, into the most terrible and disastrous of all wars, civilization itself seeming to be in the balance. But the right is more precious than peace, and we shall fight for the things which we have always carried nearest our hearts, — for democracy, for the right of those who submit to authority to have a voice in their own government, for the rights and liberties of small nations, for a universal dominion of right by such a concert of free peoples as shall bring peace and safety to all nations and make the world at last free."

War declared

April 6, 1917, Congress passed resolutions declaring a state of war with Germany, and on the same day the President issued a war proclamation and called on the people to unite in supporting it. This hostile action did not apply to Austria-Hungary, with whom we remained at peace until December 7, 1917. No declaration of war was made against Turkey and Bulgaria, allies of Germany. By maintaining outward peace with these two nations we were in a position to stimulate their dissatisfaction with Germany when it became evident that the war was approaching the days of supreme crisis.

68. Organizing for War (1917)

An army needed

When the United States entered the war, few people on this side of the Atlantic thought we should be called on to do much more than furnish money, supplies, and munitions. A brief investigation showed that the Entente powers were far spent and that additional military force was needed to insure the defeat of Germany. People were astonished to learn the truth about the devastation done by the submarines and realized that it was necessary to make the utmost effort to combat them. It was estimated that it would

take a year to train a great army and assemble the necessary munitions, equipment, and supplies for its operations; but it was believed that the Entente could hold out until the end of that period. Beyond that time little could be expected.

To the performance of the great task thus thrown upon it the nation was rallied by the President with quick and broad enthusiasm. One of his phrases, "Politics is adjourned," was repeated on all sides. It seemed that parties were forgotten for the moment, and the former leaders of "big business" vied with college professors and workingmen in offering their services to the government. Watching the struggle on the other side of the Atlantic had aroused in the nation a sober and earnest appreciation of the things that had to be done. Perhaps the nation went into this war with less enthusiasm but a broader and stronger determination than was felt when we entered the Spanish War of 1898.

Grim determination

In starting the processes of organization President Wilson was the dominating and tireless leader. There was not an important war policy that was not his policy. Had any weaker hand directed the government in that critical moment confusion would have resulted. In some subordinate parts of the machinery of government there was confusion, due to friction in the subordinate parts; but in relations one with another and in the spirit that controlled the officials there was ever unity and energy.

Wilson's activity

The first question was how to make the national defense adequate to the emergency. An army we must have, but how should it be raised? The defenders of the traditional policy of voluntary service were strong, and there was danger that they would bring the people to believe that it was

Making a new army

sufficient for the crisis we were facing. Wilson, whom his opponents had called a pacifist, became the leader of the opposite policy. He got a bill for a general draft out of an indifferent committee, and it was carried through the House by Representative Kahn, a Republican and an adopted citizen born in Germany. The bill became law May 18, and under it were enrolled all the males between the ages of 21 and 31. July 20 their names were drawn and placed on lists, and a short time afterwards the President called for 687,000 men to assemble after September 5 as rapidly as arrangements could be made to receive them. To provide officers, a number of officers' training schools were established; and they filled rapidly with volunteers. From April 1, 1917, to the end of the year the number of officers increased from 9,524 to 111,856, and the men from 110,856 to 1,428,650.

Gigantic question of supplies

To assemble supplies for this army was a vast task. The industries of the country were already taxed to the utmost by the trade demands of the Allies. Yet it was necessary to build cantonments, manufacture arms, clothing, shoes, automobiles, trucks, and the hundred other kinds of articles needed by the army, and all to be done at once. Ships had to be built to carry the army to France, and other ships to carry the supplies for the army. Men had to be trained in shipbuilding in order that the ships might be built. There was no branch of industry in the country at that time that had surplus labor to spare for such work. It was a noble achievement that the industry of the country was swung into the new channels without producing serious confusion in the existing forms of industry.

To give coherence and vigor to the efforts made to marshal the resources of the country the Council of

National Defense was created under a provison in the Defense Act of 1916. It was composed of the Secretaries of the Departments of War, Navy, Interior, Agriculture, Commerce, and Labor. Under it operated various commissions, each supervising a special activity essential to the conduct of the war. Other duties were to take steps to prevent the waste of materials needed in the war, to induce the people to forego luxuries, and to create and develop the spirit of coöperation and sacrifice in the supreme hour of need. The Council operated through committees of experts and through State Councils of Defense which it set in motion.

Council of National Defense

One of the committees dealt with the food supply and prices. Herbert Hoover, who had become a world figure by his successful administration of food relief in Belgium before we entered the war, was placed at its head. August 10 Congress passed the Food Control Act, in which provision was made for the appointment of a Food Administrator. Hoover was at once appointed to the position, and from that time to the end of the war he exercised sane and firm control of the distribution of food. A maximum price was fixed for wheat and the government bought all wheat offered. Steps were taken to prevent hoarding of grain and other food products; and a Grain Corporation was organized with a capital stock of $50,000,000 to buy and hold such amounts of wheat as should be offered. In order to insure the planting of a large crop for 1918 the farmers were guaranteed $2 a bushel for all they raised. Under Hoover's direction a wide appeal was made to the people to produce and conserve food. His motto, "Food will win the war," was repeated in every village.

Food Control

Under the same act the President appointed Harry

A. Garfield Fuel Administrator and the prices of coal were fixed. While the law was before Congress the price of coal rose and the public refused to pay the prices then charged, with the result that at the end of summer there was a scramble to get coal. Under then existing conditions of transportation it was not possible to fill orders as placed, allowancing was necessary, and industries were forced to run on a hand-to-mouth basis. January 16, 1918, the Fuel Administrator issued orders closing manufacturing plants for five days and for each Monday thereafter until March 25. It was estimated that the saving in coal would be 30,000,000 tons and the relief in railroad congestion would be sufficient to enable the authorities to load thirty-seven ships then in United States harbors, waiting for cargoes essential to war operations in Europe. The suddenness of this order caused much complaint among the manufacturers. Eventually they were reconciled, and by March the fuel situation was easier.

Fuel Control

Even more critical than food and fuel was the railroad problem. Five days after the war began the roads themselves created a Railroads' War Board, with Fairfax Harrison as chairman. They agreed not to compete among themselves and to cooperate with the government in promoting the success of the war. Much was done in combined operation, discontinuing trains that duplicated the service of one another and trains not absolutely necessary; but the War Board had not the authority to create the essential unity of operation. The roads themselves recognized their failure and invited government control. December 26, 1917, President Wilson took over the roads and appointed the Secretary of the Treasury, William G. McAdoo, Director-General of Railroads,

Railroad Control

with authority to operate them as he saw fit. This action was confirmed and continued by an act of Congress of March 21, 1918. Taking over the railroads was a war measure and it was accepted as a necessity. The Director-General made rigid economies in operation and gave the country an efficient service in all things pertaining to the support of the war.

McAdoo and railroad wages

When the railroads were taken over the employees had already made demands for extensive advances in wages. McAdoo appointed a committee of employers and employees to investigate living conditions of the operatives with reference to wages. Its report (April 30, 1918) showed that 80% of the railroad workers received $100 a month or less, and that it was only the well unionized higher forms of labor that received wages adequate to the pre-war conditions. Acting on the basis of this report the wages of railroad laborers were increased by a total of more than $600,000,000.

The conservative portion of the public criticized these concessions; but it is difficult to see how the roads could have been kept at the high point of service necessary at the time, if the threats to strike had been carried out. McAdoo, however, was not willing to base his action merely on emergency grounds. He said it was taken "to find a just and equitable basis which would outlive the war, and which would give a living wage and decent working condition to every railroad employee." The extraordinary demand for labor during the war resulted in a great advance in wages, and the action of McAdoo was imitated in many industries besides the railroads.

In a drastic Espionage Act of June 15, 1917, Congress gave the President power to control exports. The result was the creation of the Exports Administrative

Board, merged later in the year, in the War Trade Board, with Vance McCormick chairman. It had wide powers over foreign and domestic trade with the purpose of making it subservient to the success of the war. It regulated raw materials, allotted exports to countries at war with Germany, and sought to establish coöperation with neutrals in matters of trade. It was a powerful factor in the control of national resources.

War Trade Board

A similar step was taken for transportation in the reorganization of the Shipping Board, created under an act of 1916. The Emergency Fleet Corporation was enlarged from a capital stock of $50,000,000 to $750,000,000; and by October, 1918, this sum had risen to $1,934,000,000, the amount being intended for the purchase or building of ships to be used in carrying troops and supplies to Europe. The greatest interest was manifested in the construction program now adopted. Standard ships of about 8,000 tons were designed to be built in parts and "fabricated," or put together on a large scale in certain yards. By standardizing the parts it was possible to construct ships very quickly. From July 1, 1917, to October 1, 1918, were constructed in the United States 384 steel ships with an aggregate tonnage of 1,547,824 and 289 wooden ships with an aggregate tonnage of 504,108.

War and shipping

A disturbing controversy occurred over the relative merits of steel and wooden ships. It was settled by Edward N. Hurley, the chairman of the Shipping Board, who announced that he would have all the ships of each kind that he could build. In actual practice the wooden ships were not satisfactory. Besides the new ships, the government put into operation the seized German and Austrian ships to a total capacity of 660,000 tons, and by commandeering the neutral ships

under construction the United States obtained in addition more than 3,000,000 tons of merchant shipping.

One other great board was organized to help the government obtain the support needed from industry.

War Industries Board

Early in the war the Council of National Defense created a War Industries Board, to do what it could to get the manufacturers and producers of raw materials to work together under its direction for the good of all. Like the other boards under the Council it had no other authority than moral suasion. Its work was not effective. During the winter of 1917–1918 much complaint was heard of the failure of supplies intended for one or another of the great phases of war activities. Several investigations of bureaus in the War Department were conducted, and public criticism was aroused. Demands for a war cabinet were made and opposed.

Finally Wilson met the situation, March 4, 1918, by withdrawing the War Industries Board from the supervision of the Council of National Defense and establishing it as a Board under his own supervision, coordinate with the other five boards which have just been discussed. Bernard M. Baruch was made chairman and conducted the business with great ability. The Board had authority to direct the business of procuring supplies for the several departments and bureaus, to organize industries so that they could furnish supplies in the best manner, to fix prices when necessary, and to require manufacturers to conduct operations so as to obtain the best results. It was a large grant of power and its exercise was accepted by the country as a war measure.

The war came when neither people nor government had the organization to carry it forward. Experience

was necessary to indicate what agencies should be created and to find persons who could direct them. Thus came into existence the six great "war boards," as they were called: (1) Food Administration with Herbert Hoover at the head; (2) Fuel Administration with Harry A. Garfield at the head; (3) Railroad Administration, with William G. McAdoo at the head; (4) War Trade Board under Vance McCormick; (5) Shipping Board with Edward N. Hurley at the head; (6) War Industries Board under the leadership of Bernard M. Baruch.

Wilson's "War Cabinet"

These six men with the Secretaries of War and of the Navy were called into conference from time to time by the President to consider matters relating to the war. They came to be known as the "War Cabinet." Under their direction the business men of the country, filled with a spirit of patriotism beyond all criticism, worked smoothly and efficiently for the gigantic task of the placing of the resources of the nation quickly and sufficiently at the disposal of the leaders of the national defense.

69. Investigating the Conduct of the War

Calling two million men from their homes and making them into an army within less than a year, at a time when industry was already taxed to capacity, was a task far greater than any previous work of the government. It was greater than most people realized then or since. More than 100,000 officers had to be called from civil life and trained to command in the army. The stock of munitions for a small army had to be expanded suddenly to many times its former state. A War Department that was adequate for an army of 100,000 had to be enlarged by drawing shoals of men and women from business offices and

A great task

stores into civil employment. In the haste many incompetent army and civil officers were appointed: they had to be weeded out or adjusted to places in which they could serve without damage. The people at large did not understand the difficulties of getting a proper start in the successful operation of the war. Congress voted money lavishly: and when results were not obtained people were impatient and began to cry out for the punishment of somebody.

War expenditure

The first manifestation of this spirit was in the Senate. In July, 1917, that body adopted an amendment to the Food Control Bill to create a joint committee to direct war expenditures. President Wilson protested in a letter to the chairman of the House Committee, saying the amendment diminished his executive functions under the Constitution. He cited the difficulties experienced by Lincoln during the Civil War from the appointment of a similar committee and closed by saying that he hoped the amendment would be dropped. His appeal was successful, but some of the Senators continued to suspect his wisdom and saw faults in the things that occurred later.

War Department investigated

In December, 1917, these Senators opened an attack on the War Department on the ground that the soldiers in the cantonments suffered from lack of warm clothing; that in some cases they had not received their rifles; and that no machine guns had been furnished in many camps. The Senate Military Affairs Committee voted to investigate the charges. The Secretary of War, Newton D. Baker, went before it and showed in an able manner that every possible effort was being made to remedy the deficiencies pointed at. He did not deny that mistakes had been made, but he claimed that they had been corrected

as soon as known and not repeated. His defense was supported by the testimony of other officials of the War Department. No action was taken by the Senate.

In two particulars the situation was bad, though it is not clear that the Secretary was to blame. One was the lack of machine guns. This instrument had been developed to a remarkable degree during the war. Hundreds were now used where one was used in 1914. Great improvement had been made in the types. The War Department had noticed this development and in 1916 manufacturers were invited to submit models for a new gun to be tested in May, 1917. When the test came we had been at war a month. The Browning machine gun was accepted and it was pronounced the best gun in use in any army. Orders were given at once for a large number. To furnish them it was necessary to make the machinery for manufacturing them, erect factories, and train workmen. Under existing conditions it was not possible to expect deliveries before April, 1918. When this situation was known the public was disappointed. Secretary Baker, however, announced that a sufficient quantity of machine guns had been procured for all the regiments that had reached France. They came from the French government, whose factories more than supplied those needed to equip the French army, and the surplus product was sold to the American army. To many people it was a cause of humiliation that we had to depend on another country for these implements of war.

Machine-Gun Controversy

Even greater excitement was occasioned by the aircraft situation. It was common to say at the time that the war would be won in the air. It was thought that the United States alone could make the vast number of airplanes necessary to fly

Aircraft Controversy

over the German army and blow it to atoms. Great satisfaction was felt when it was known that Congress had appropriated $640,000,000 for aircraft; and that 11,500 planes had actually been ordered. Here again nobody foresaw the difficulties. We had never built airplanes, except some of the antebellum type, now thoroughly antiquated. We had no airplane factories that could fill the orders, nor mechanics trained in the process of building. The whole industry, even to designing the planes, had to be created anew. In Europe the types of planes were changing monthly, and several times after starts were made it was necessary to make important changes.

Flying in France

After wasting several months trying to get operations under way, the Administration ordered 6100 planes in France; but so busy were the French in making planes for their own armies that it was necessary to send 7000 skilled automobile mechanics to France to replace French automobile workers whom the filling of our orders drew into the airplane factories. It was not until May, 1918, that airplanes made in this country began to be delivered to the army in France. The report of General Pershing shows that at the end of the war the army had received 1379 planes made in the United States and 2676 made in Europe; but no airplanes made in the United States were ready for use at the front up to the end of the war.

Hughes report

When the aircraft situation was known the Military Committee of the Senate began an investigation. Without disputing the Senate's right to investigate President Wilson ordered an entirely distinct investigation by Charles E. Hughes, by whose report two persons connected with the aircraft program were found to have committed questionable acts, and trials

by court martial were recommended. The trials were held and showed that the men had committed acts technically wrong but without evil intent. Confusion and extravagance were shown to have existed through trying to do on a vast scale a thing which we were not prepared to do even on a smaller scale. On two types of planes which proved unsatisfactory and were given up the loss was $26,000,000.

Public disappointment

The most regrettable thing was the loss of time in fitting out a valuable arm of the service. Had the plan been made more modestly it would have brought better results. A publicity agent connected with the government did much harm by creating the impression that the vast task he proclaimed was being completed in schedule time. When at last it was seen that no tangible results had been obtained the public was highly indignant and believed that there was total failure, whereas a great deal of progress had been made. On the whole the Hughes report supported the Administration.

Chamberlain's charges

The center of criticism was in the Senate. Senator Chamberlain, chairman of the Military Committee, was prominent among the critics. Speaking at a dinner in New York he said: "The military establishment of America has fallen down. There is no use to be optimistic about a thing that does not exist. It has almost stopped functioning, my friends. Why? Because of inefficiency in every bureau and in every department of the government of the United States." This statement was refuted by President Wilson, who said: "The War Department has performed a task of unparalleled magnitude and difficulty with extraordinary promptness and efficiency. There have been delays and disappointments and partial miscarriages of plan, all of which have been drawn

into the foreground and exaggerated by the investigations which have been in progress since the Congress assembled — investigations which drew indispensable officials of the department constantly away from their work and officers from their commands and contributed a great deal to such delay and confusion as had inevitably arisen. But compared with what has been accomplished, these things, much as they are to be regretted, are insignificant, and no mistake has been made which has been repeated."

Overman Act

Senator Chamberlain's remedy was to have a Minister of Munitions, and he introduced a bill for that purpose. He also brought forward a bill to create a War Cabinet. Before they could be debated the President through his friends introduced the Overman Bill, February 6, 1918, giving him wide power to reorganize the departments so as to make them function efficiently. So great was the extension of Presidential authority in this bill that it met great opposition. It was finally modified and passed as a war measure. It was evident that to defeat it was to hamper the President and weaken his prestige at a time when the war demanded that his standing should not be lessened without due cause.

CHAPTER IX

THE UNITED STATES IN THE WORLD WAR (1917–1919)

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71. The American Expeditionary Forces

WHILE the United States Senate planned investigations and the newspapers published the results, steady preparations were in progress for assembling a great army in France. The soldiers began to cross the Atlantic in May, when 1718 were embarked. In June 12,261 followed, in July 12,988, in August 18,323, and in September 32,523. By the end of 1917 we had in France 187,916 soldiers and 7,579 marines; and ships were carrying over men at the rate of 47,000 a month. We were able to carry this large

An army for Europe

number through repairing most of the German merchantmen which were interned in our harbors in 1914.

To transport these men and carry with them their supplies, equipment for camps, and materials for moving supplies from bases to points of service, with materials for outfitting hospitals, depots, etc., was a vast undertaking. Six months earlier no one, least of all the Germans, thought it could be done. For these efforts the British Navy furnished valuable aid by contributing troop and supply ships.

By the opening of the spring campaign in 1918 it was seen that even these efforts must be largely increased. Russia had made peace and the wasted French and British lines were left to hold back the heavy attacks that Germany threw against them. Then the allies called for help. "It is impossible," said Lloyd George, "to exaggerate the importance of getting American reënforcements across the Atlantic in the shortest possible space of time." And we redoubled our efforts to get ships. Some we got from the new ship yards, which were beginning to yield results, others from the British government, others by cutting off as much of our imports from South America as we believed we could spare. We got 300,000 tons by taking over a large number of Scandinavian and Dutch ships in our harbors awaiting cargoes. Thus we greatly increased the carrying capacity, and in March the number of troops transported was 83,811, in May 244,345, and in July 297,000. When the armistice was signed, November 11, we had sent to Europe in all 2,045,169 men, about half of them in United States ships. At the same time 5,153,000 tons of cargo had been delivered in France, of which 95% was carried in our own ships. So well did the War and Navy Departments conceal their movement that the people of the

More ships!

United States did not know what was happening. In their doubt they came to believe that little was being done, an impression which was duly carried into Germany by her spies. It was a great surprise to that nation to learn at last that they were face to face with two millions of American troops.

Achievement

The commander of this great army was General John J. Pershing, who sailed for Europe May 28, 1917, and reached Paris by way of London June 13. He grasped the situation at once and reported that steps should be taken to organize an army of 3,000,000 men, one-third of which he wished to see in France by May, 1918, in time to take part in the spring offensive. He began to prepare the plans for receiving and supplying this force so that it should not want anything essential after arrival. Pershing's success was not alone in his handling of men in the battle areas, but also in his organization of the great machine that functioned behind the battle areas.

General Pershing

The unit of organization was the division, containing about 28,000 men, which was larger than European divisions operating in France. The divisions of the regular army were to be numbered from one to twenty-five; of the national guard from twenty-six to seventy-five; and of the drafted men, the National Army, from seventy-six upward. None of these categories were filled during the war. Two or more divisions made a corps, and corps were combined to make a field army. The method of operations demanded that each unit should maintain its normal strength, and to obtain this result it was necessary to have large replacement depots in reserve. At first the divisions represented territorial unity; but since the losses were replaced from such recruits as were available the divisions eventually lost that character. As

Army organization

this process went on much of the original difference between regular divisions, national guard divisions, and national army divisions disappeared. So rapid was the using up of men that in a few months almost the whole personnel of a regular army division might be entirely changed.

72. The United States Sector

Great battle line in France

In the spring of 1917 the battle line in France stood in general where it had stood since the failure of the great German drive on Paris in 1914. It ran southward from the Belgian coast near Ostend to a point a little north of Soissons, a distance of about 135 miles. Thence it turned eastward with a round angle and ran past Rheims to Verdun, around which it bent on the east side and ran on eastward to a point a little east of the Moselle, where it turned southward to the Swiss boundary, an entire length of about 450 miles. From the angle near Soissons to the Moselle was about 180 miles. The most important part of the line was the great angle from the sea to the Moselle, a distance of about 320 miles. Southward were several strong fortresses.

Defense by nationalities

The defenders of this line stood in the following order: In Belgium were the Belgians themselves, holding a line that was protected for the most part by canals and soggy meadows. Then came the British, from Ypres southward to the region of Cambrai. They were in a position to get supplies easily from the northern side of the Channel; and they were defending what was most important to their national interest, the channel ports of France. Next came the French. They held the point of the great angle, the region nearest Paris, and all the remainder to Switzerland, their greatest strength being in front of Paris and around Verdun.

The Allied defense was massed on the western side of the angle. It was here that the Germans would most likely try to win the decision, which would come to them if they took either the channel ports or the city of Paris. To push back the French line east of Verdun would do them little good, since there was no vital point there. On the other hand, it was on that stretch that they were weakest: if their opponents cut through here, the great supply line of their southern front would be taken and they would be turned out of most of the French areas they held. The Entente leaders understood this strategy, but they never had troops enough to hold the western leg of the angle and make simultaneously a great attack east of Verdun. The arrival of our forces gave the Allies this opportunity and Pershing eagerly desired to be permitted to carry it out.

Germany's weak spot

His first concern was to establish services of supply from the seacoast to the proposed area. For this purpose the ports of Saint Nazaire, La Pallice, Bassens, Bordeaux, and Pauillac, all south of the entrance of the British Channel, were placed at his disposal. He caused docks and warehouses to be built where needed. He also was given control of the necessary railroads, which he repaired, sometimes changing the gauge so as to use cars and locomotives from the United States. He constructed vast storage houses, bakeries, refrigerators, and repair shops for the support of the army of 2,000,000 which he expected. All this work was done with materials brought overseas from the United States.

Services of supply

July 28, 1917, the last detachment of the 1st Division landed in France. The division had been exceptionally well trained in the United States; but the methods of warfare were changing continually and the

division needed further instruction to bring its fighting ability up to the new standards. It was, therefore, broken into small units and placed under French officers. In October it went into the trenches in a quiet sector in Lorraine. October 23 one of its batteries, stationed near Nancy, fired our first shot into the German lines. November 3 came the first skirmish with the enemy. January 15, 1918, the units were assembled and the division was moved into a more active area near Toul. Early in April it was moved into Picardy and held in readiness for service of the severest kind. The experience of the 1st Division was repeated by most of the divisions that went to France in 1917. Three other divisions, the 2nd, 26th, and 42nd, arrived in Europe before the end of the year. In the first of these three divisions served the two regiments of marines who distinguished themselves at Belleau Woods near Château-Thierry.

Training in France

As the troops took position on the line, raids and skirmishes began to be made. The first action that may be called a battle was at Seichprey, several miles east of St. Mihiel, on April 20. Under cover of a heavy bombardment the Germans took a part of the line held by the 26th Division and captured some of the defenders. Next morning they were driven out in a spirited attack, with losses somewhat in excess of those they had inflicted.

First action

73. Critical Weeks in the Spring of 1918

Great anxiety was felt by the leaders of the Allies in March, 1918. It was known that vast concentrations of men and artillery were in progress behind the strong Hindenburg Line, which the Germans had made well-nigh impregnable; and the coming of good weather would see great drives on narrow arcs,

Holding out

with the hope of breaking through. Would the first attack succeed? If not, how many times could it be repeated and how many times would the strength of the Allies permit its defeat? It was a game of endurance. The Germans would use up men in attack and the Allies in defense. Which side would stand this process of attrition the longer?

The fateful day that ushered in the conflict was March 21, 1918, and the place was a section of the British line 50 miles long in front of and south of Cambrai. Under cover of a dense fog the Germans went forward in mass formation in certain critical spots, effected breaches into which heavy masses of men were promptly poured, and then turned along the rear on the portions not previously heavily attacked. In this way their superior numbers forced back the British line which found it necessary to keep alignment. Day after day this process was kept up until the Germans near Amiens April 1 were within two miles of the railroad that united the French and British transportation systems. If that road was taken it would be impossible to move troops from one end of the Allied line to the other for reinforcement, and the Germans would have such an advantage that success would seem to be certain. From such an event the Allies were saved by the timely arrival of fresh French troops to aid the exhausted British, and a few days later the Germans were driven back so that the railroad was no longer in danger, but they remained in possession of a deep salient.

The Cambrai drive

The Germans won this important advantage by having a unified command, so that all their reserves were available when wanted. On the other side the Commander-in-Chief of each nation commanded its own army and had authority only over its own reserves. The

British had been particularly unwilling to place a foreign officer over British soldiers. It is true that a definite inter-army agreement had been made about reserves, but it was not carried out as planned; and the necessary reserves were not available when most needed. The experience of March 21 taught all parties a lesson. April 3 a conference was held and General Foch was appointed Commander-in-Chief of all the armies, with strategic direction of operations. From that time the armies of the Allies moved as a unit. General Pershing and the United States Government readily accepted the change of command, as did the people of Great Britain and the United States when they understood the situation.

Foch Commander-in-chief

April 9 the Germans made a second drive on the British, this time near Ypres. Their attacks were exceedingly heavy but the British held their ground until the French came with help on the 16th. Never did British courage fight better or more effectively; for defeat here would mean that the Germans could reach the Channel and probably win the war. Each side used up a large number of divisions, but the unity of command enabled Foch to move quickly and save the British.

Ypres drive

In these two drives the French had drawn many of their reserve divisions to the north. The Germans, therefore, made their next drive on the French line, which they expected to find in a weakened state. It was delivered, May 27, on a thirty-mile front between Soissons and Rheims and was unexpected by the French, who gave way day after day, fighting as they fell back until they came to the Marne River at Château-Thierry, only 39 miles from Paris. In five days' fighting the attackers thrust an angle in the Allied line 30 miles deep and 35 miles

Rheims-Soissons drive

wide at the base. It was too deep for its width and the Germans tried to widen it by a strong attack on its western side. But Foch had brought up his reserves by that time and this attempt failed. Thus ended the third drive.

The fourth drive came July 14 in the region lying on each side of Rheims, the object being to pinch out the Rheims salient. The onslaught failed and in the moment of failure Foch's army seized the offensive. It began a hammering process which the Germans could not resist. Their four heavy drives had used up so many of their men that they could only check their foes and retreat. The Allies had also lost heavily, but the United States Army, now thrown into the contest in great numbers, was fresh. It was the timeliness of this assistance that gave the death blow to the Central Powers, supplementing the work of four years already done by the splendid armies of France and Great Britain.

Turn of the tide

74. The Yankees to the Rescue

These stirring events made a deep impression on our army in France and the men were urgent to get into the fray. March 28, when the first German drive was in its most critical stage, General Pershing urged Foch to use the best of our divisions. "I come to say to you," he said, "that the American people would hold it a great honor for our troops were they engaged in the present battle. I ask it of you in my name and in that of the American people. There is at this moment no other question than that of fighting. Infantry, artillery, aviation — all that we have are yours to dispose of as you will. Others are coming which are as numerous as will be necessary. I have come to say to you that the American people would be

Pershing's offer

proud to be engaged in the greatest battle in history." Two days later United States soldiers left their training area and moved into the scene of severe fighting in Picardy. Pershing's offer had been accepted. The troops — it was the 1st Division — went into reserve a short distance northwest of Paris and on April 25 they took over a part of the Allied line at Cantigny, near Montdidier. May 28 they delivered a successful attack against the Germans on their front, capturing and holding an important observation post. The Germans made several futile efforts to recover the ground lost, delivering a furious bombardment for three days. The clean-cut manner in which the attack had been made heartened the Allies, because it showed that our troops had well learned the art of war.

Cantigny

When the battle of Cantigny was fought the Germans were beginning their drive of May 27, that opened the great angle with its point on the Marne River at Château-Thierry. They met such weak resistance that they believed the enemy was demoralized. As they were pushing on behind the slowly retiring Frenchmen near Château-Thierry they encountered the 2nd Division of United States troops, which had been hurried up to stay their advance. It had to fill a gap in the French line extending across the road to Paris. By a spirited charge it halted the advance and drove back the first German columns. These events occurred on June 1, 1918. With the 2nd Division went the 3rd, although it had not completed its training. It took position on the right of the 2nd, south of the Paris road and south of the Marne opposite Château-Thierry, on the north bank.

The Second Division at Chateau-Thierry

The fighting of our troops in this area attracted much attention. They had been thrown across the ad-

vance of the Germans at a most critical moment, and it was important to know how they met it. The first fighting was by a motorized battalion of the 3rd Division which ran ahead of its command, reached Château-Thierry on May 31, drove back the German vanguard which had reached the south bank of the river, and held the bridge until the main column arrived, when it blew up the bridge after allowing the retreating French to escape to safety. It was all done in a vigorous and soldierly manner to the satisfaction of the French officers who observed it. The next fighting was done by the 23rd Regiment of the 2nd Division on June 1, when it repaired a breach in the French line left of the division, made a spirited assault on the enemy, and after three days took position on the Paris road. Here again the fighting was good.

Soldierly fighting

June 2 the marines, two regiments of whom were in the 2nd Division, encountered the enemy. They received his attack with a withering fire and sent him back staggering. Before them was Belleau Wood, strongly held by the enemy. Although their artillery was not up, the marines insisted on carrying the position, against the advice of the French officers, who thought it should not be attempted without heavy bombardment. June 6 the marines charged in fine style, reached the Wood and began to work their way through it. Progress was slow and losses severe; but they kept on with great bravery for three days when they were withdrawn after penetrating the Wood for more than a mile. The sacrifice was so heavy that they were called back on the 9th and the position subjected to a thorough bombardment by the artillery, which had at last arrived. After this treatment the position yielded easily to an attack. The

Marines in Belleau Wood

fighting of the marines was very brave and aroused much enthusiasm at home.

Now followed five weeks of quiet. The Germans were secretly preparing their fourth great blow. So much territory had been won in the last drive that they thought the French morale was at a low ebb and confidently promised their weary soldiers that the fourth drive would bring victory. It was a real emergency, and it fell upon Pershing when he was busily putting his army through its training and preparing to take over the sector allotted to him. For the moment he had to drop that plan and move his divisions to the threatened Marne salient. By the middle of July he had placed, under Foch's orders, six divisions in the Château-Thierry sector, the 1st, 2nd, 3rd, and 26th — all in the line — and two others, the 4th and 28th, in support. The 42nd was also in the line but it was east of Rheims, where it saw hard fighting as the drive began.

Fourth drive

The expected German blow fell on July 14 on two sectors east and west of Rheims. The Germans hoped to pinch out the Rheims angle and cut the east-and-west railroad that fed the whole eastern line on the Allied side, and thus cause an extensive readjustment. The drive succeeded for three days and then came to a standstill. It had partly been foreseen through information from deserters and was met with a degree of preparation. East of Château-Thierry it involved the 3rd Division which fought with great persistence. One of its regiments, the 38th, held back the Germans in its front and kept them from crossing the river. Finding itself attacked on each flank by others who had crossed the river it met them and drove them off in fierce combat, thus winning its battle on three fronts at the same time. General Pershing described its action as "one of the most brilliant pages

of our military annals." July 17 the drive was well checked, but the Germans did not realize it and made strong efforts to push ahead. It was at that moment that Foch delivered the blow that turned the German success into defeat.

Foch's counter-blow

The operations of July 14 to 17 had drawn a great part of the active German divisions to the eastern side of the Marne salient. Foch had in the meanwhile gathered his reserve divisions in the forests on the western side. On July 18 he threw them forward on the road extending from Soissons to Château-Thierry, the main highway by which supplies were carried into the salient. His opponents were utterly unprepared for the assault and gave way on a thirty-mile front. In four days' fighting they were forced back east of the strategic road and threatened with destruction. On the first day of this attack the Germans thought it only a demonstration and continued their effort south of the Marne. At the end of the second day they saw the road threatened and lost not an hour in starting to get their most valuable supplies out of the salient. From that time they acted on the defensive. Always pressed, they fell back and fought off their antagonists and drew in their lines.

Pershing's men

In the operations of July 18–21, four United States divisions took part. The 1st and 2nd were in the advancing line nearly opposite Soissons, which was the spearhead of the movement and performed the tasks allotted to them with great success. South of them a short distance was the 4th Division, and south of that, at the pivot of the movement, was the 26th Division, which carried out the program allotted it with great fidelity. No Allied divisions in this attack showed better fighting ability than these four.

In the work of pressing the Germans out of the

salient the United States troops now took a large share. They took over most of the line at the bottom and fought hard from the Marne to the Vesle, where the battle halted for a time. The Germans used their machine guns very efficiently on this retreat, holding off large bodies of pursuers with a relatively small number of men serving the machine guns. They were thus able to carry off most of their heavy artillery, but they had to abandon or destroy vast quantities of supplies.

Clearing the Marne salient

In these operations Foch seized the initiative and took care that his opponents did not take it from him. In fact, they were too badly used in the Marne salient to attempt an offensive move soon. August 8, two days after the battle died down on the Vesle, it broke out again in a great British attack near Amiens, the object being to recover what had been lost in the drive of March 21. The Germans now showed how much their sudden change of fortune from July 15 to July 18 had broken their spirit. Their August resistance was weak, and their commander, General Ludendorf, said that this fact convinced him that his army was beaten. Steady Allied pressure in this region resulted in a steady advance, and from that time on the Germans were continuously pressed back out of France.

Pushing back the German line

For the most part this process of pushing back the Germans was left to the French and British, and the United States troops took up the work originally allotted to them of manning the sector from the Moselle to the Meuse and driving the Germans back on their supply line, the great railroad through Sedan to their western front. August 9 Foch directed Pershing to move his divisions to this sector and take over the part of the line from the

American sector taken over

Moselle to St. Mihiel, a distance of 35 miles. Pershing began at once to comply, but his divisions were relieved so slowly that it was not until the middle of September that the last of them reached his new field of action.

75. The Capture of St. Mihiel

August 30 the removal of the troops to the new sector was completed. It extended at that time from Port-sur-Seille, five miles east of the Moselle, to Fresnes-en-Woevre, 15 miles north of St. Mihiel, a total distance of about 35 miles. The position was a German salient, St. Mihiel in the point. It was strongly fortified and during the war the French had not been able to take it. It is probable, however, that its defense had been weakened in the recent drives so that in September, 1918, it was not held by the best troops. Twelve miles northeast of the town was Vigneulles, where met the roads by which it was necessary to pass in withdrawing from the salient. This place was the objective of the attacking side. They planned to move on it from each side of the point of the salient. Nine United States divisions and four French divisions were in the sector, the French opposite St. Mihiel, in such a position that they would enter the town as Pershing's men crushed in the German lines on each side of it.

St. Mihiel position

At dawn on September 12 the whole line west of the Moselle was in motion. Near the river it moved slowly: near St. Mihiel it worked its way forward as rapidly as it could. By nightfall it was well ahead of its expectations, and the Germans, who had begun to withdraw on the preceding night, were in active retreat. North of the town a similar advance had been made by other United States troops. When it was

St. Mihiel attacked

known during the night that the enemy was retreating the two attacking wings set out in the darkness for the key position of Vigneulles. They arrived about dawn of the 13th, in time to bag a large body of the retreating forces. The whole number captured in the battle was 16,000 with 443 guns and great quantities of supplies. The attack succeeded all along the line.

The immediate result of the battle was that it enabled the Allies to shorten their line in this region. It was now established across what had been the base of the German salient, from the west bank of the Moselle to a point east of Verdun. Along this line our troops found the enemy well posted, and they did not attempt to carry it. Another result was that it reopened the main line of railroad from Paris to Nancy, which passes through St. Mihiel. Perhaps the most important effect was the influence on morale. Up to that time it was not generally believed that our armies were sufficiently schooled in warfare to conduct independent campaigns. It was with reluctance that Foch had agreed in the preceding month that Pershing's divisions might be combined into armies and allowed to move on their own front. He preferred to continue the practice followed in the Marne salient of distributing them among the French divisions. Pershing stood out for his own campaign, and the event justified his contention.

Results of the victory

Much more was won for the United States in that battle. Up to that time Europe, apt to estimate a nation by its fighting capacity, had believed that the men of the New World could not meet European soldiers on equal footing. They contended that the Revolution and the War of 1812 proved nothing, since in neither case did Great Britain make an earnest effort against us. At St. Mihiel an army of

Our prestige strengthened

500,000 stood against the seasoned German troops who were in positions believed to be impregnable. The ease with which the positions were taken made it impossible to say again that the training and ideals of the people of the United States did not produce a nation capable of self-defense.

76. The Meuse-Argonne Campaign

The Meuse-Argonne campaign, which followed hard on the victory at St. Mihiel, was the greatest attack ever made by an army of the United States.

Our greatest battle

Never before had so many of our soldiers fought in one battle, and for so important an issue. Eighteen divisions were engaged in the beginning, nine in the line and nine in support, on a front of twenty-three miles, from the Meuse to the western edge of the Argonne Forest. The result of the attack would determine the safety of the German lines in France. This great action should be considered in three phases: the first extending from September 26 to October 3; the second from October 4 to October 31; and the third from November 1 to November 6, when Sedan was reached. Each phase was, in reality, an assault followed by a period of preparation for another assault.

The plan adopted was a frontal attack between river and forest in coördination with a similar attack by the French against the line west of the Argonne, which was about seven miles wide. It was hoped that by advancing on each side of the forest artillery could be used to devastate that region on its flanks. At this time the entire German line was so alive with assaults that the Germans could not be expected to send reinforcements along their front. They had prepared for an attack from Pershing immediately after St. Mihiel, but they made the mistake of expecting it

Plan of attack

in the sector east of the Meuse and in front of Metz, which they believed was Pershing's objective, and they massed their forces there.

German defenses

They considered the Argonne impregnable, for they had held it since the beginning of the war against several French attacks. They had filled it with machine-gun nests, plotted its roads with great detail, and placed cannon so as to command them. They utilized every advantage of contour and made it ready for service in case they had to fall back. Their defenses outside the forest consisted of fortified positions thirteen miles deep, terminating in the rear in what was known as the Kriemhilde Line, which was a part of the celebrated Hindenburg Line. All these positions they made strong by every kind of works that their ingenuity could devise. Throughout the war this sector had been considered the strongest part of the German defenses in France and it had served as a receiving ground for units that had been badly used in other parts. From the front of this fortified area to Sedan was 34 miles, and the task Pershing assigned his army was to penetrate the defenses, cross the country in the rear of them, and take Sedan, on the railroad. At the point attacked, the German defenses were nearer this strategic road than elsewhere.

Two strategic railroads

The Sedan-Mézières road was one of the two great German supply lines. It came out of Germany by way of Luxembourg and carried supplies to all that part of the line lying east of the great angle at Montdidier. The other line came out of the north from Aix-la-Chapelle through Liége and reached the Montdidier angle from the north. Each was a four-track road, and if either was taken the other would be insufficient to supply the invaders. In an attempt to withdraw, neither road could support

the movement and carry off the armies, so that it would be necessary for the Germans to get out, if defeated, over the country roads through the Ardennes Plateau in southern Belgium, a tedious and dangerous process.

Pershing's attack began at dawn on September 26, after a heavy bombardment. It took the enemy by surprise and thrust him back seven miles in the part of the line nearest the Meuse, but the advance was slower to the westward, and in the Argonne the gain was small. It also developed that it was hard to advance along the flanks of the Argonne, since the heavy massing of German artillery in that region covered both flanks for several miles. The only thing to do was to work forward steadily and persistently, in the forest and on its flanks. At the end of two days a considerable advance had been made in the open country; and there was a pause to allow the engineers to construct roads through "No Man's Land," as the devastated area between the old lines was called. This work was done with great energy and by October 3 the artillery was brought up and placed in position for another great push. In these operations Pershing received excellent support from the battle of the French under General Gouraud, who was fighting fiercely west of the Argonne. His advance in this region was as rapid as Pershing's and was very helpful, since it uncovered the Argonne on that side and made it necessary for the defenders to draw back.

First phase of the battle

October 4 the second general assault was made. In order to deceive the Germans and turn aside the fire from their artillery east of the Meuse, a severe attack was made simultaneously in that quarter. It served to keep some of the enemy's reserves out of the most significant part of the engagement. This attack was made on October 8 by the 17th

Second phase

French Corps, under Pershing's command, and carried back the enemy's line a distance of four miles. It proved a great advantage to the operations on the west side of the Meuse. On the same day the enemy slackened his grip on the Argonne, yielding to the steady hammering of his opponents, and the greater part of this formidable position passed into our hands. Then followed two weeks of steady fighting forward, gains being made in one place and another so that at the end the general gain was considerable. All of the Argonne came into our hands, the line west of the Meuse stood at an advance of fourteen miles over the old line before September 26, and east of the Meuse the French had driven the enemy still farther back from the river bank. At certain points the Kriemhilde Line had been penetrated, but for the most part it stood intact. To break through completely and sweep back resistance on the other side was reserved for the third phase of the battle.

Third phase

For this purpose a grand attack was set for November 1. The imperiled Germans were carrying their supplies out of France as rapidly as possible, and to enable this to be done their armies were desperately holding off the fierce assaults of the Allies, who hoped that the war might be ended before the beginning of winter. This feeling inspired the assault of November 1. The artillery attack on that day was exceedingly effective. When it ceased the United States soldiers rushed forward over demolished works. They carried the line at several points and swept forward from four to five miles. The Germans were badly disorganized and tried hard to save themselves. They turned to fight, but their efforts were feeble. Each day they were driven further back. On November 6 two divisions, the 1st and the 42nd, reached the heights

opposite the town of Sedan. A French division came along with them, and to it was allowed the honor of entering the city. At that time the demoralization of the Germans was great. Since the break through on the 1st their resistance had weakened for they believed the war was near its termination.

Problem of winter

The end of the battle found the United States forces in position for a great move against Metz, with fair chance of success, unless winter made campaigning impossible. To the westward French and British armies had done effective work, driving the invaders out of a large part of Belgium and reducing their hold in France to a narrow strip from three to twenty miles deep. The Allies had advanced from 20 to 40 miles across a devastated region and winter was at hand. To stay where they were without protection for the men in the lines would entail great suffering. To provide huts for so large a force across this wide stretch of "No Man's Land" would take time. Fears were expressed that it would be necessary to retire for the winter to the positions from which the Germans had just been driven. The armistice, signed on November 11, was considered a happy solution of that problem.

In the tunnel sector

Not all of the United States troops engaged at this time were in the Meuse-Argonne battle. Two divisions, the 27th and the 30th, served with the British on the St. Quentin front and fought with great distinction at the tunnel sector on September 29 and October 1. This strong position was at a place where a canal passed three miles under a ridge from 30 to 150 feet high. The Germans had utilized it as a subterranean chamber for protecting the defenders of the battle line directly above it. When the attacking divisions passed over the line they were forced to turn

and defeat the swarms of men who came up out of the earth behind them. This battle won, the divisions joined in the thrust that pushed back the Germans to the neighborhood of Hirson, took several important positions, captured 6000 prisoners, and won the special commendation of General Haig, British commander-in-chief.

Other detached efforts

Two other divisions, the 2nd and 36th, served in a separate sector. They were sent in October to the aid of the French under General Gouraud, who had been held up in his advance at Blanc Mont, west of the Argonne. The 2nd Division carried that strong place with great bravery and gave place to the 36th, which took a creditable part in driving the Germans back to the Aisne River. Another call for aid came from the French in Flanders. Two divisions, the 37th and 91st, were promptly sent. They arrived in time to help the French drive the Germans back to the Scheldt, in Belgium.

In Italy and Russia

While the war was in progress several appeals were made for our troops to be sent to other countries than France. In general it was thought best to concentrate there, but two expeditions were sent elsewhere, chiefly for the effect on the morale of the countries to which they were sent. To Italy went one regiment in July, 1918. It joined the Italian army on the Piave and took part in the operations that defeated the Austrians and drove them back with great loss. In the same month a small force, three battalions of infantry and three companies of engineers, was ordered to Northern Russia to guard the ports and protect supplies from the Soviet forces operating against the Allies in Russia. They were spread over a wide area and had several small encounters with the enemy. They were withdrawn in the summer of 1919.

Late in 1918 a joint Japanese-American force was sent to Vladivostock to guard a vast quantity of supplies there and to keep them from falling into the hands of the Bolsheviki. This force was withdrawn in 1920. The Chief-of-Staff of the army described this expedition, carried through with so much difficulty, as "one of the finest examples in history of honorable, unselfish dealings with an unfortunate people . . . struggling to achieve a new liberty and a self-government."

77. The Navy in the War

Services of the Navy

The navy's part in our war with Germany was not spectacular, but it was of the utmost importance. Its only combat was when twelve submarine chasers took part in an attack on the Austrian naval base at Durazzo, on the Adriatic Sea. The navy's principal services were hunting out and sinking submarines, convoying our army and its supplies safely across the Atlantic, placing mine barriers in the North Sea to seal up German ports, and taking a part in the service of the grand Allied fleet in waiting for the appearance of the Kaiser's fleet on the high seas. The excellent manner in which these duties were performed was due to the good state of the navy when the war began and the zeal with which its officers conducted operations.

Destroyers and submarines

The first call of the navy was for destroyers to serve off the British coast against the German submarines that abounded in those waters. Rear-Admiral Sims was sent to England to take command of such operations, and a squadron of destroyers reached Queenstown, Ireland, on May 4. The British commander of the post inquired of their commander: "When will you be ready for business?" The reply was, "We can start at once." From that

time to the end of the war they did duty in all seasons. Other destroyers were constructed and sent to their aid and it was believed that the activity of these vessels was materially responsible for the reduction of tonnage losses that was observed in Allied merchantmen after we entered the war. It was rarely possible to be sure of the result of an attack on a submarine if it submerged before or during the attack. For that reason no certain data are available for the number destroyed.

Depth bombs

In the beginning of the struggle popular imagination predicted American ingenuity would find some ready way of defeating the submarine attacks. Time showed how futile was the dream. No solution was discovered, but vigilance and careful convoying proved very helpful. The depth bomb was the best weapon. It was originally of fifty pounds weight; but our navy enlarged it to three hundred pounds, and even to six hundred. These terrible bombs were dropped at the point at which a submarine had showed itself and in the area of disappearance, and exploded on reaching a certain depth. It was believed that no submarine could live within close distance to one of these exploding bombs.

Submarines cross the Atlantic

Two submarine raids were made on our coasts by the Germans during the time we were at war. In 1914 this would have been impossible; but with experience the type of submarine became larger, and July 9, 1916, the world was astonished to see the *Deutschland*, a submarine of commerce, arrive in the United States. She repeated her achievement in the following October. These voyages showed what a submarine could do. May 25, 1918, a fighting submarine appeared off the New Jersey coast sinking several small ships. Thence she moved southward and loitered off the Virginia coast until June 16,

destroying in all sixteen vessels. Two days later she sunk a British transport 550 miles east of New York. July 21 another raid occurred, in which were two, or possibly three, submarines. Ships were sunk off the Massachusetts, Virginia, and North Carolina coasts at the same time. No attempt was made on either raid to attack the transports then carrying troops to France in large numbers. The object seems to have been to terrify the trading classes; but everybody was too intent on winning the war to think of what in comparison was but a small affair.

North Sea fleet

A squadron of United States battleships under Rear-Admiral Rodman served as the sixth battle squadron of the Allied Grand Fleet, which under Admiral Beatty stood guard in the North Sea over the blockaded German navy. It was assigned a position on one of the wings so that if the enemy should come out of the harbor for a fight the squadron would be in a position either to lead the van or cover the rear. No such duty was necessary during its service on this station, since the Germans made no effort to take the sea.

Convoys

In convoying ships across the Atlantic the navy rendered its second most valuable service, if we agree that the service against the submarines was the most valuable. The escorts were composed of destroyers or fast cruisers. They met the transports in mid-ocean and guarded them over the areas in which danger lurked. Their duty was to see and destroy a submarine the instant its periscope appeared above the surface. So well was their work performed that no United States transport bound for Europe was destroyed by a submarine. Three were destroyed west bound, but they were nearly empty. Aside from this service the only triumph of the submarine against our

navy was the destruction of the *Jacob Jones*, a new and well equipped destroyer, 500 miles off the British coast.

Mines

The war demonstrated to a greater extent than we realized before the efficacy of mine fields as agents of protection. By planting mines before her ports Germany kept Beatty's fleet at a safe distance. By dropping them in the paths of navigation she inflicted serious damage on her foes. On the other hand, the Allies used mines with much success. Through the active coöperation of the United States a great barrage of mines was laid between the Orkney Islands and Norway so that it was impossible for German raiders to reach the paths of British commerce. A similar barrage was laid in the British Channel. During the war we sent 85,000 mines of the large type to Europe and laid 56,611 in the great barrage across the North Sea, a distance of 230 miles.

CHAPTER X

PEACE AND ITS PROBLEMS (1919–1925)

78. References

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79. The Armistice

"Safe for democracy"

BEFORE the German battle line began to crack President Wilson had instituted a policy which was intended to undermine the influence of German leaders over their own people. The United States, he said, was fighting "to make the world safe for democracy"; which meant that it was necessary to overthrow militarism before the world could expect peace. For a long time the nations of Europe had lived in fear of such a war as was being waged, and the basis of the fear was militarism. The German people as a whole were chafing under this system, and Wilson's ideas struck deep into their consciousness.

January 8, 1918, Wilson announced the basis on which he would favor peace, and the statement was his celebrated Fourteen Points. Some were general to all nations, and some had specific reference to points at issue between the belligerents. Of the first kind were: (1) "Open covenants of peace openly arrived at," after which diplomacy was to be conducted "in the public view"; (2) freedom of navigation on the high seas in peace and war; (3) the removal of all economic barriers and the creation of "equality of trade conditions"; (4) the reduction of armaments; (5) the creation of "an association of nations" to guarantee "political independence and territorial integrity to great and small states alike." Among the specific demands were: (1) The evacuation of Russian territory; (2) the restoration of Belgium; (3) the cession of Alsace-Lorraine to France; (4) the satisfactory adjustment of the frontiers of Italy, Austria-Hungary, Rumania, Serbia, Montenegro, and Poland; (5) an independent Poland and autonomous development of the non-Turkish parts of the Ottoman Empire. The Fourteen Points were not submitted for adoption by Congress nor in detail by any country, but they were received with approval by press and people and no open criticism was made of them when announced.

The "Fourteen Points"

At first Germany scoffed at the "Fourteen Points"; but when the tide of battle turned against her she remembered them and took them under consideration. As one defeat followed after another she took them up as embodying the best terms to be expected from her conquerors. The ruling class acted from sheer necessity; but a large number of the middle and lower classes were willing to accept most of the principles in Wilson's celebrated statement.

Fourteen Points taken up in Germany

Meanwhile the allies of Germany, scenting the coming defeat on the western front, were slowly giving way and making their peace with the victors. The first to yield was Bulgaria, whose lines were broken September 15, 1918; and who signed a treaty of surrender on September 29. By this time Austria-Hungary was on the verge of dissolution into the previously constituent states; and Turkey, isolated on the north and swept back on the south by the progress of Allenby's British army in Syria, sued for peace, October 31. Late in the same month the Italian and British armies in Italy fell upon the Austrian forces there, beat them, and drove them back with great loss, so that Austria-Hungary submitted on November 3. In all these states the spirit of internal revolution was strong.

Germany deserted by her Allies

The same spirit was strong in Germany. The military class had long feared that defeat would mean a change of the basis of government, and they were about to realize their fears in great fulness. They had often proclaimed the virtues of war and asserted that Germany's army was the basis of Germany's happiness. It now became evident that militarism had brought on the war and was responsible for its disasters. The militarists have sought to excuse themselves by saying that the war was lost because the "home front" crumbled. In reality, the "home front" yielded when it was evident that the western front was going. The German private fought long and well, but he turned on his leaders when he saw them overwhelmed in defeat.

Militarism Overwhelmed

The process of overthrow began with the resignation of the conservative Chancellor of the German Empire, who retired September 30, the day after the surrender of Bulgaria. October 2 his place was taken by Prince

Maximilian of Bavaria, a known liberal, who on the same day asked President Wilson to obtain an armistice with a conference of all the belligerents to make a firm peace on the basis of the Fourteen Points. The President said in reply that no armistice would be granted unless the Germans retired at once from France and Belgium. He also asked if the Chancellor spoke for the old régime or for the German nation. Under the old system the Chancellor was entirely under the control of the Emperor and not responsible to the Reichstag. It was feared that any promises he might make in the emergency would be repudiated by the Kaiser, when the emergency had passed.

Germany asks for peace

Prince Maximilian replied evasively, but Wilson held out. At last Wilson was informed that the government existing in Germany was "a government of the people," with power to make decisions and to exercise authority over the army and navy. It was the first time in history that a German ruler could say truthfully that the government of his country rested in the people.

After much negotiation an armistice was signed at 5 A.M., November 11, and went into effect six hours later. It provided for the withdrawal of the German armies, the surrender of vast quantities of artillery, machine guns, and other munitions, and the surrender of the flower of the German navy. The Entente Allies were to occupy the west bank of the Rhine and hold bridge-heads on the east bank. The Fourteen Points with some modifications were accepted as the basis of a formal treaty to be made later on in a peace conference. The day before it was signed the Kaiser and the Crown Prince, his eldest son, abdicated and fled to Holland. Germany was in the throes of revolution, out of which issued

Armistice, November 11, 1918

an imperial republic. Militarism was overthrown in its highest seat.

80. The Peace Conference at Versailles

War madness

While the war was going on many people, most of all those taking active part in it, were horrified at its uselessness. Each side was killing men, destroying property, brutalizing the feelings of its own people, and sowing the seed of international hate, as if bent on wiping out the achievements of man's progress in the previous ages of evolution. On every side one heard the question: "What can be done to make this thing impossible in the future?"

An old question

It was an old question, which had been asked toward the end of many of the devastating wars of the past, and no satisfactory answers had been made. Always the return of peace brought forgetfulness, and the world fell back into its old policies. National selfishness reappeared, suspicion and deceit again controlled diplomacy, and the nations went on their ways again, leading inevitably to the wars that always follow through the use of such methods. Was such a fate to follow the end of the World War?

Wilson's part

In every country the question was asked devoutly, and often came for answer the formation of some kind of a league among the nations which could act so as to cool international hatreds in times of peace and check the impetuous states who were rushing into war in moments of excitement. President Wilson did not originate the idea of a League of Nations. He merely uttered the thought of many others who but desired one in authority to take it up. Wilson's part was that he made it his chief policy of state and carried it through the Peace Conference against the opposition of the old diplomatic school.

In order to do this he decided to go to Paris himself as head of our Peace Commission. The suggestion shocked many people, and his political opponents attributed it to a desire to play a conspicuous part in the negotiations. Yet it seems certain that if he had not gone to Paris there would have been no League. The other members of the Commission were Robert Lansing, Secretary of State, Henry White, formerly an ambassador to France, and described by Roosevelt as "the most useful diplomat in the American service," Colonel Edward M. House, up to this time a personal adviser of the President, and General Tasker H. Bliss, representing the army. The Commission sailed from New York, December 4, 1918, and arrived at Paris on the 14th.

Wilson goes to Paris

At that time the position of the United States was high in the world's esteem. Our country had once been considered a clever commercial nation, rich in goods and too new to fight. In a year and a half it had thrown 2,000,000 splendid fighting men into the European struggle, spent wealth and blood as freely as the exigencies of war demanded, and furnished the final energy that turned the scales in the conflict. The Americans were hailed at Paris as the saviors of the world. At their head was President Wilson, whose eloquent speeches had been read with intense sympathy since the nation entered the war; and who arrived in Europe with a message that was to make wars impossible. He was madly acclaimed wherever he went in Europe. Few men stopped to think how difficult a task he had given himself. To establish a régime of peace meant that he would oppose some of the dearest national designs of other peoples; and in doing so he could not help arousing bitter opposition.

Wilson's high position

Thirty-nine powers, including the British Dominions,

came to the Conference to help write the terms of humiliation for Germany and her allies, and to make the world safe against their future aggression. Most of them had in mind definite demands and considered them entirely just and reasonable. These nations were prepared, if necessary, to make combinations among themselves in the old world-congress manner, in order to get what they wished. The only great nation at the Conference that was not seeking advantages for itself was the United States. That was because we were too rich to need Europe's money and too much isolated to be concerned with European territorial rivalries. Wilson's only demand for new arrangements was the League of Nations, and he asked that because he thought it was for the good of all.

Our only demand

The five powers in attendance which had done most of the fighting — Great Britain, France, Italy, Japan, and the United States — must of necessity assume most of the responsibility for making Germany fulfil the treaty which she must sign. It was natural that they should take the lead in the discussions, and also in the results of the Conference.

Hence most of the questions were first decided by the representatives of these five powers; and the decisions were then referred to plenary sessions of the whole Conference, where they were approved. Two persons represented each of the five powers, and this small body became known as the Council of Ten. Experience showed that ten were too many, and the Council was finally composed of only one representative from each power; and since Japan did not attend unless Asiatic or Pacific-Ocean matters were up, most of the business was done by the other members, who came to be known as the "Big Four." These powerful personages were Clęmenceau, for France, Lloyd George, for Great

Britain, Orlando, for Italy, and Wilson, for the United States.

The position of Wilson among these men was peculiar. Each of the others was Prime Minister in his own country, each had the support of his Parliament, and each believed that what he did was going to be approved by his government. Wilson was the man charged by the Federal Constitution to act for his nation, either by appointees or in person, in making the treaty; and yet he did not represent the Senate, the body that would have to approve the treaty. Frequently a President had negotiated a treaty which the Senate had rejected, but they were always times when the other party was a single state. Now, however, we were called upon to sit in with a Conference of many states. The treaty would have to be such as all would sign: it would necessarily be a compromise made on the spot after conference with the other powers. The ratifying power in the United States could take no part in such a compromise. Wilson was therefore put to the necessity of doing the best he could under the circumstances, trusting to the future to get ratification. As compared with his colleagues at Paris he was in an awkward situation, dependent upon future events in his own country.

Wilson a minister without support

The deliberations of the Conference had not gone far when it became evident that the European Powers thought little of the Fourteen Points. It had been said that they threw them over entirely, which is not strictly true; but they pared some of them down and ignored some entirely. The Germans, who were not allowed to take part in the early deliberations, only waiting to know what would be demanded from them, were greatly offended by

Fate of the Fourteen Points

this action. They had surrendered on the basis of the Fourteen Points and naturally felt they had been deceived after putting themselves beyond the ability to resist. Here was laid the foundation of a deep hostility to Wilson, who, they said, should have left the Conference when it refused to do what he had assured Germany it would do.

Why Wilson held on

Wilson soon realized that he could not get the Allies to do all they had promised to do. But he thought that if the League of Nations was established in good faith, it would bring about in time all the omitted advantages of his proposition. Accordingly he gave himself to the preparation and adoption of the Covenant of the League, a draft of which was presented to the Conference in plenary session, February 14, 1919. It was not considered at the time, and Wilson departed the next day for Washington, to be present at the approaching close of the Congress. He hoped also to be able to allay to some extent the rising tide of objection to the League in the United States, a hope which the attitude of a Senate in the hands of his political enemies did not warrant.

Threatened sidetracking of the League

There was no time to argue the point before his departure. At Paris things began to go against him as soon as he was out of the city. March 5, the day after Congress adjourned, he sailed again for France, arriving to find that the League had been sidetracked. During his absence a vote was passed to decide upon the other matters in the treaty before deciding upon the League. This, it was believed, would mean the defeat of an efficient League. Moreover, it was contrary to a vote of January 25, taken through Wilson's insistence, that the League should be considered an integral part of the treaty.

The reversal of this vote in his absence was a blow at the President and he took occasion soon after his return to say that reports that the League was to be deferred until the treaty was completed were incorrect and that the vote of January 25 was final.

The League saved

It was an evidence of his great power in the conferences of the "Big Four" that his interpretation of the situation was allowed to stand. By fighting to the utmost, by never giving up the demand that the Covenant should be a part of the treaty, and by finally threatening to withdraw from the Conference he was able to force Lloyd George, Clemenceau, and Orlando to accept his view; and when the treaty of peace was complete it contained the Covenant of the League of Nations. Whatever one thinks about Wilson and the League, it is necessary to admit that he won a hard battle in forcing it into the treaty. As an additional check on Germany President Wilson agreed to recommend that the United States make a three-power treaty with France and Great Britain for the enforcement of the Treaty of Versailles. This recommendation was made by the President but the Senate did not accept it.

The main features of the Covenant were: (1) The chief power was to rest with a council of nine members, one chosen from each of the five Great Powers, Great Britain, France, Italy, Japan, and the United States, and four others chosen by the Assembly from time to time. (2) An assembly in which each member state was to have one vote. Since five of Great Britain's colonies were members of the Conference, this arrangement provided for six votes that were British in sympathy, a provision that aroused much feeling among all who disliked an extensive British influence. (3) A permanent World Court with

Main features of the League

the power to decide international cases, the League standing in a position to see that its decisions were executed. (4) In Article X it was provided that each state should guarantee the territorial integrity of every other state in the League. (5) In case a member of the League was about to make war on another member the Council would investigate, and if its decisions were violated the other members were pledged to impose economic restrictions, or even to make war against it, until it was willing to accept the arbitrament of the League. The object was to create a power strong enough to make reason take the place of force in the settlement of disputes that ordinarily lead to war.

"Mandatories" and other matters

In matters strictly European, Wilson did not at first take so strong a part. But when he realized the mass of intrigue for gain that filled the Conference he took a stronger stand. In order to keep the conquered German and Turkish colonies from falling into the hands of Britain, France, and Japan, he got them recognized as "mandatories" to be administered by nations to whom the League should assign them. He opposed the French demand for the annexation of the Saar coal fields, so that it was at last decided that the region should go to France but be administered politically by the League for fifteen years, when a vote of the inhabitants should decide its future political status. He opposed a French demand for a long period of military control of the entire west bank of the Rhine, and it was finally agreed that the west bank and a strip 50 kilometres wide on the east bank should be demilitarized under German control.

Wilson also asked that reparation payments should be based upon Germany's ability to pay and that the amount should be fixed in the treaty. This provision he did not obtain. Lloyd George and Clemenceau had made

excessive promises to their people about forcing Germany to pay for the war, though they knew it was impossible. They did not dare face their people with a fixed amount representing what Germany could pay. It was accordingly provided that she should pay for all damages inflicted on civilians, in person or in property; for all contributions levied; for all pensions granted on account of the war; and for all "separation allowances," *i.e.*, allowances to families of Allied soldiers in active service. A Reparation Commission was to assess the actual amounts by May 1, 1921. Much trouble arose where it was attempted to execute this feature of the treaty.

Reparations

Another point of dissent was the disposition of Fiume. When Italy entered the war in 1915 she stipulated in a secret treaty what territory was to be acquired from Austria, and Fiume was not, thereby, demanded nor promised. In fact, Italy agreed that this district should go to Croatia. In 1919 Croatia was a part of Jugoslavia, to which Fiume was of great importance as the only favorable natural outlet to the sea. The prospect of a strong Jugoslavia was not agreeable to Italy, who now advanced a claim to Fiume. Active propaganda was conducted and a wave of enthusiasm ran through the Italian people for Fiume, on the ground that it was an Italian city, although by the censuses taken before the war no more than a plurality of the city's population was Italian speaking.

Question of Fiume

Against this demand Wilson stood out, on the basis that Fiume was essential to Jugoslavia. The Italian representatives at the Conference were for a time recalled to Rome, but they eventually returned. When the treaty was signed Fiume was still in Italian hands, although by the terms of that document it belonged to

Jugoslavia. After a long period of dispute Jugoslavia accepted an arrangement by which the city remained Italian, and Jugoslavia took other territory. Lloyd George and Clemenceau supported Wilson in this matter; but for reasons connected with their own interests they wished him to take the lead in opposing Italy.

Wilson, Japan, and China

On the demands of Japan in the East, Wilson had not the support of Britain and France, and he was, therefore, in a more awkward position. Early in the war Japan took Shantung from Germany, and Japan remained in a position menacing to China. Wilson tried to get her to hand it over to China, from whom it was taken by Germany in 1898 under contract made through duress. Japan promised to give up Shantung, retaining some economic privileges and the right to establish a settlement there. She would not make the promise in writing, claiming her word was sufficient, although in other matters written promises were given and demanded by her. Japan had made special treaties with Britain and France, who supported her in her contention, and Wilson was obliged to content himself with her verbal assurance. China, however, was not satisfied and refused to sign the treaty.

The Treaty signed

The Peace Conference closed its tempestuous existence with the signing of the completed treaty June 28, 1919. The affair was brilliantly staged in the Hall of Mirrors, at Versailles, where in 1871 the German Empire had been proclaimed. The treaty was ratified by Great Britain, France, and Italy on January 10, 1920. It was never ratified by the United States. A treaty with Austria-Hungary was signed September 12, 1919, but it was not ratified by the United States.

Wilson's struggle for the League of Nations was the

highest point in his remarkable career. In the over-full program of domestic legislation of the first year and a half of his first term he had shown a willingness to take what he could get Congress to give him. In the legislation relating to the trusts, in the Federal Reserve Act, as well as in the so-called Hay Bill of 1916, he accepted compromise when he felt that he had to accept it. When it came to the culmination of his career, the League of Nations, he was utterly rigid. His stern determination carried him through at Paris and enabled him to wring assent from Clemenceau and Lloyd George. Although he had given up on details, he came home a victor in the main features of his plan to found a league of peace. A still harder battle was before him.

No more compromise

81. The League Fight at Home

In the beginning of his Presidency Wilson showed himself an admirable judge of what the people wanted. In holding the balance between peace and war in 1915 and 1916 he showed equal ability in gauging the state of public opinion. In 1919 he believed that he also knew what his people would do about the League, and he arrived in Washington full of confidence that he should have their support when he had explained to them the nature of the League and its utility in keeping this nation, and all others, from the sacrifices of another world war.

Wilson and public opinion

Two things worked against this hope. One was the state of his health. Few men in his own party had his clear insight into the situation which had called the League into existence, so that it fell upon him mainly to make the fight for his ideas. He came back a man weakened in his nerves, overstrung and on the verge of collapse. Throwing himself

Wilson's health

into the contest without reserve, he soon broke the physical machinery until it nearly ceased to work. While he thus lay prostrate, gasping for life, it fell to him to make the decision of compromise or no compromise, on the issue of the World League, and he was in no condition to make it wisely. Those who would weigh Wilson's statesmanship by his course on the League after his return to the United States in 1919, will not do him justice if they do not take into consideration the state of his health.

Renewal of party warfare

The second thing was the reopening of that fierce party contest, suspended during the period of actual war, which is normally a characteristic of our public life, in which the party out of office thinks itself justified in striking its opponents with any club that comes handy. In two Presidential campaigns the Republicans had found themselves unable to agree on domestic matters with the result that their opponents had won the victory. The League, and its converse issue, nationality, was something on which both wings could agree. In it was an argument which could be made to arouse the feelings of a large number of men. It is true that the entry of the United States into an efficient League of Nations would somewhat diminish their national authority over their international relations. The Republicans gladly seized on an issue which, sidetracking the old fight against big business, gave them the prospect of procuring party reunion.

The hope of the League advocates was to show that this diminution of national authority was more than compensated for by the advantages accruing from the League. With the one man incapacitated by disease who could have made this argument understood by the public, the cause was in a bad way. The other side dwelt

upon the lessening of nationality and the entanglements that might follow, and it was a popular argument. The issue was associated with party loyalty, to the Democratic or Republican Parties. The result was that while well-nigh half of the people supported Wilson's views in the beginning of 1919, the reiteration of party appeals and the idea that danger lay ahead gradually won away a large part of his following, and at last overwhelmed both the League and the rest of the treaty in defeat.

Treaty laid before the Senate

Wilson laid the Treaty of Versailles before the Senate, on July 10, 1919, making a speech which his admirers considered excellent. He believed that the Covenant of the League was so vital a part of the treaty which the nations at war had agreed to that it was impossible to reject it. The Senate was controlled by his opponents, who had already shown an intention of opposing ratification, unless the Covenant was essentially amended. The treaty went at once to the Senate Committee on Foreign Affairs, which had been so made up that it opposed the Covenant.

Wilson's collapse

While the Committee debated the matter the President set out on a speech-making tour of the West and Northwest, presenting his arguments and endeavoring to discover the state of public opinion. September 26, after three weeks of hard campaigning, he became ill in Kansas and his physicians sent him home to rest. Shortly after his arrival in Washington he was stricken with paralysis and for several weeks lay between life and death. The crisis of the disease was followed by a period of slow and painful improvement, so that at the time when his entire League policy was at its climax he was physically unable to give it proper consideration. In this broken

state he was called upon to play out his hand against the shrewdest of his opponents.

After a long debate in the Senate, a number of "reservations" were attached to the Treaty, particularly limitations on the powers of the proposed League. When it came to a vote in the extra session, November 19, 1919, Wilson conferred with his friends and urged that the Covenant, as amended, be rejected. He believed, as he said, that the door would "then be open for a genuine resolution of ratification." On the roll-call the vote was 35 Republicans and 3 Democrats for the Covenant with reservations and 42 Democrats and 13 Republicans against it. The Wilson Democrats and the irreconcilable Republicans had voted "nay." It was then moved to ratify the Treaty as it came from Paris and the vote was "aye" 53 and "nay" 38, which was less than the necessary two-thirds majority. A shift of eight votes would have carried it.

Treaty's first rejection

The Treaty came up again in the regular session, beginning in December, 1919. After another debate it came to a vote on March 19, 1920, with stronger reservations than before. Again the President opposed ratification, after consulting with his friends, believing, as he was told, that the people were for the Covenant and the question would be a deciding issue in the approaching election. On the vote 38 Republicans and 21 Democrats were for the Covenant as now amended and 23 Democrats and 12 Republicans were against it. The Treaty with the reservations lacked seven votes of having the necessary two-thirds majority. Both parties then prepared for the Presidential election, each assuming that the people would support its views on the League.

Second rejection

The Republican Convention met on June 8 at Chi-

cago. Its platform took a position on the League more hostile than the party had taken in the contest in the Senate. Ignoring the reservations hitherto proposed for the Covenant, it passed the League by altogether and declared for some form of agreement for the settlement of international disputes by a high international court. The Convention nominated Warren G. Harding, of Ohio, for President, and Calvin Coolidge, of Massachusetts, for Vice-President.

Republican Convention

In the Senate the question was the Covenant *with* or the Covenant *without* reservations. But in the campaign of 1920 the question was the League of Nations or no League of Nations, with the suggestion that a World Court might be established, if the nations of Europe would agree to the proposal.

The issue newly stated

This shifting of the basis of dispute was in accordance with a change of public opinion. As the people got farther from war and as party loyalty began to operate again, there was an appreciable cooling of the enthusiasm for a League. At this time, also, the question was engaging the attention of a large number of people not accustomed to give thought to theoretical questions in politics. To them the issue was: Should the United States take part in affairs beyond the Atlantic or continue the traditional policy of letting Europe settle her own disputes? And on that question the people took the traditional view.

The Democratic Convention assembled June 28 at San Francisco. The strong hand of Wilson no longer controlled. For some time there was a contest of factions, but in the end a combination led by New York and Illinois, made up in the main of the forces that had opposed Wilson and supported Clark in 1912, proved strongest and nominated James

Democratic Convention

M. Cox, of Ohio, for President, and Franklin D. Roosevelt, of New York, for Vice-President. This combination, previously so little in sympathy with the idealism of Wilson, now found themselves his defenders. The nominee made an earnest effort in behalf of the League, but the great majority of his campaign assistants did not understand how to place it before the country so as to meet the trend of opinion toward national isolation. In the voting Harding carried the electoral college by a poll of 404 to 127, with a popular majority of 7,039,539. In this election the Democrats had counted much on the vote of the women, enfranchised by the Nineteenth Amendment, which achieved ratification as the campaign was opening. The results seemed to indicate that they had miscalculated in this respect.

82. Foreign Affairs under Harding (1921–1922)

A separate treaty with Germany

The failure of the Senate to ratify the Treaty of Versailles in 1920 left the country in a state of war with Germany. Wilson took no further steps in the matter and Harding had to solve the problem thus created. His first step was to get the Senate to pass a resolution, July 2, 1921, declaring the war at an end, and reserving to the United States all rights through the victory they had helped to win in 1918. The next was to send a diplomat to Berlin to negotiate a treaty direct with Germany. August 25 the task was completed and the Senate ratified the separate treaty he sent home. It established peaceful relations with Germany, approved certain parts of the Treaty of Versailles, and specifically declared the United States not bound by anything in the Covenant of the League of Nations.

More important still was the Washington Conference on Disarmament, which grew out of a resolution intro-

duced by Senator Borah and adopted by Congress, May 25, 1921. In its original form it provided for a conference on the reduction of naval armaments, to be held by the United States, Great Britain, Japan, and France. When called by the President the scope was enlarged so as to take up, besides naval disarmament, the settlement of the dispute between Japan on the one hand and China and Siberia on the other with respect of Japan's claims to territory in China and Manchuria. It proposed, also, to consider disarmament on land, to make rules for new agencies in warfare, and to adjust the status of mandated islands. The original resolution was further extended by sending invitations to China, Belgium, Italy, Holland, and Portugal. Comprised within the British delegation were representatives from the colonies of Canada, Australia, India, and New Zealand.

Washington Conference

Deliberations began, November 12, with the proposal of Secretary of State Charles E. Hughes for a ten-year "naval holiday" in the construction of capital ships; and for the destruction of 66 ships in the navies of the United States, Great Britain, and Japan, including some of the best. This heroic demand astonished the world, but after some debate it was accepted by the nations concerned. It was also decided that in the future construction the relative strength of these three nations in ships of the cruiser class should be as 5 for Great Britain, 5 for the United States, and 3 for Japan. The agreement on this program was received as an evidence of the good faith of all parties and tended to facilitate further deliberations. Good will prevailed and the spirit of conciliation was more active than had been expected. When the Conference adjourned on the 6th of February six important treaties had been made, as follows:

The 5-5-3 ratio

(1) The Four-Power Treaty, signed December 13, 1921, dealing with Pacific problems, between the United States, Great Britain, France, and Japan. Each nation pledged itself to protect the rights of the others "in relation to their insular dominions in the region of the Pacific Ocean," and to call a conference if any controversy arose which they could not settle by diplomacy. If their rights to their insular dominions were threatened by others they agreed to meet and consider what was to be done. This treaty was to be in force for ten years, after which it might be terminated by either power on one year's notice. Its ratification necessarily involved the end of the two-party treaty previously existing between Great Britain and Japan, long the occasion of suspicion in the United States. The Four-Power Treaty did not really destroy this two-power alliance; it merged it into the larger treaty.

(2) The Five-Power Naval Pact for stabilizing the relative strength of navies provided for the suspension of construction for fifteen years, the scrapping of all capital ships above a specified number, and the renewal of these ships in such a ratio that the United States should have 525,000 tons, Great Britain 525,000 tons, Japan 315,000 tons, France 175,000, and Italy 175,000. The treaty was to exist until the end of 1936, after which it could be terminated if one of the powers had given two years' notice. This treaty was duly signed by the first of the three powers, France and Italy held off without apparent reason, Italy following the lead of France. When, however, France found herself in a precarious position in 1923 with respect to the situation in the old Entente Alliance, she signed the treaty; and Italy followed the example. The pact did not apply to cruisers under

Five-Power Naval pact

10,000 tons burthen, nor to submarines, destroyers, and other small craft; but it did restrict the size of aircraft carriers.

(3) The Five-Power Treaty made regulations touching chemical and submarine warfare. It recapitulated the rules of international law respecting right of search, and the safety of passengers and crew of destroyed ships; and reasserted their validity. It pointed out that submarines were obliged to observe these rules or refrain from attacking. It forbade the use of poisonous or other gases in warfare; and it declared that persons violating this treaty might be tried "as if for an act of piracy."

Five-Power Treaty

(4) The Nine-Power Treaty to Preserve the Integrity of China was signed by the United States, Japan, China, Great Britain, France, Italy, Holland, Belgium, and Portugal. China had been protesting for many years against the occupation of Chinese territory by Japan. By the ejection of Russia in 1905 the Japanese took Manchuria and Inner Mongolia and held them against the protest of China. By the conquest of the German possessions in Shantung in the World War they held also the valuable region tributary to that port, and this act was also protested by China. Although three years had passed since Japan gave assurance at Paris that she would give up Shantung no signs were visible of her leaving the place. One of the main objects of the Conference was to get Japan out; for the refusal to budge was a source of irritation in the United States. When the Two-Power Treaty with Britain came to an end, Japan realized that she stood alone and gave way. It was agreed to leave Shantung within six months, retaining only property rights there, and China was to pay 53,406,151 gold marks for improvements made in the

Nine-Power Treaty for China

region by the Germans and Japanese. Nothing appears in this treaty about Japan's claim to Manchuria and Inner Mongolia, regions which she continued to hold.

(5) A Customs Treaty for China was made and accepted. Agreements previously made bound China to limit the customs collected by the government and saddled her with a foreign controlled postal service. In a separate treaty the same nine powers agreed to appoint a commission for the better management of the customs, with ultimate control in the hands of the Chinese. It was also agreed that China should have control of the post office if she would provide efficient service. Some other minor administrative reforms were also conceded.

Chinese Customs Treaty

(6) The Pacific Cable Treaty was made which ended the controversy over Yap. This island was one of the mandated group assigned to Japan by the League of Nations. Through it passes a United States cable from San Francisco to Manila, by way of Honolulu, the Midway Islands, and Guam. Complaint was made that the Japanese, by their possession of the island, obtained trade secrets and used them to the injury of our merchants. The United States sought to get the island internationalized but Japan stood on her rights as a mandating power. The reply was that we had not recognized the League of Nations and did not join in the agreement to assign Yap to Japan. The disputed point thus came up at the Washington Conference, where it was agreed that Yap should remain with Japan, and that the United States should have equal rights with Japan or any other nation to construct and operate cables. In this treaty the United States practically acknowledged Japan's mandated rights in the islands north of the equator as granted to her by the League of Nations.

Pacific Cable Treaty

Only a brief experience was needed to show the good effects of the Washington Conference. It reduced the grounds for suspicion between the Japanese and the people of the United States and the haunting fear of war disappeared for the time. It stopped the rivalry in naval construction, a proposition entirely unwelcome before the World War but which was more favorably considered in the years of peace. The agreement did not do all that some people had expected of it: it did not limit the construction of submarines; and the restrictions against the use of these craft and of poisonous gases may prove of little value should war come again.

Results of the Conference

Two other matters relating to foreign affairs reached happy adjustment in Harding's administration. One was the refunding of the debts owed by Great Britain for money lent by the United States to pay for vast quantities of supplies purchased in this country during the last two years of the war, amounting December 15, 1922, with accrued interest to $4,604,128,085. To place this obligation on a basis for regular and reasonable payment an agreement was made early in 1923 for refunding the debt with interest at three per cent. for ten years and three and a half per cent. thereafter for fifty-two years. Annual payments on the principal were also to be made, so that the whole obligation would be extinguished in sixty-two years. The British example was followed by Finland at once, whose debt of $8,000,000 was refunded on terms which implied its payment in sixty-two years. At the beginning of 1926 arrangements had also been made with Hungary, Lithuania, and Poland, and approved by Congress. Similar agreements had been made with Belgium, Italy, Czecho-Slovakia, Esthonia, and Latvia but they were not passed on by Congress. The total amount

British Debt funded

of these foreign governments' debts at the end of 1924, including sums owed for sale of materials at the end of the war and advances for relief purposes, was $10,559,929,727, with interest unpaid for several years.

Another achievement was the termination of the long controversy with Mexico. In 1917, during Carranza's administration, the Mexicans adopted a constitution which provided that natural resources should belong to the state. A decree issued later provided that this clause should be retroactive. It thus placed oil and other lands, the property of our citizens in Mexico, at the mercy of the government. Protest was made against this action, and recognition was not granted to Obregon, who overthrew Carranza in 1920, until assurances were given that the rights of United States citizens would be respected. The controversy dragged along until 1923, when a commission sitting at Mexico City settled the points in dispute to the satisfaction of both sides and the government of Obregon was duly recognized.

Mexican Affairs adjusted

Obregon's power and that of his successor, Calles, rested on a popular movement in which were joined the agrarians, who demanded the distribution of the land to the landless masses, and the labor unions, whose instincts were against the exploitation of industry by the rich Mexicans. This popular revolution was strong enough in 1917 to give the country its new constitution, and despite the efforts of the conservatives they stayed in power and slowly brought order to the finances and quiet to the country. Calles was the fourth president of the Mexican Republic to enter office by a quiet election and succession. The leading objects of his administration were dividing up the great landed estates, reducing the power of the clergy, and lessening the position of foreigners

Popular Revolution in Mexico

in the business development of Mexico. In the last matter he ran counter to the United States.

Foreign Capital threatened

The Mexican constitution of 1917, article 27, vesting in the nation the ownership of all the unmined minerals in the country, said it was done "in order to avoid possible friction with foreign governments." In 1925 Calles felt that the time was come to put this clause into operation, and he got Congress to pass an Alien Land Law requiring land-owning corporations to be majority-owned by Mexicans, and giving such as did not conform to this act when passed ten years within which to comply. Lands within certain areas must be entirely Mexican owned. Strong protest was made by the alien oil companies in Mexico, and a sharp controversy occurred between Washington and Mexico City, with the result that it was announced in April, 1926, that a compromise had been made on the basis that the provisions of the Mexican constitution and laws are not to be considered retroactive.

The World Court

It was a cardinal principle of Harding's policy that the United States must take no part in Europe's tangled distress and that the League of Nations must be ignored. February 24, 1923, he sent to the Senate a message urging that the United States join the World Court at the Hague, with such reservations as made it clear that they did not become entangled with the League. The Senate took no action on the proposal, and it was still an undecided question when President Harding died on August 2, 1923.

Death of Harding

The death of President Harding in San Francisco, while returning from a visit to Alaska, was a sudden blow to the nation. He became ill with ptomaine poison on his train shortly after leaving Seattle. In a few days the original symptoms receded and he was thought to be convalescent, when

he was seized with apoplexy and sank quickly into death. He was succeeded by Calvin Coolidge, the Vice-President.

83. Coolidge as President

Calvin Coolidge President

President Coolidge retained the cabinet of his predecessor and announced that he would follow Harding's policies. Called suddenly to authority, he naturally hesitated to assume a strong hand with his associates. The quiet part he had played as Vice-President led many people to wonder if he would be able to command the confidence of his party. Day by day he gave them their answer, taking up in an effective way the reins of authority until at the beginning of a new year he was confessedly the leader. He appealed to the public by his steadiness, his advocacy of economy, and his seeming indifference to public approval.

Income Tax Bill of 1924

He was not popular with Congress in these first months. The Democrats, by taking advantage of this feeling, were able to upset the plan, formed by Secretary-of-the-Treasury Mellon, and adopted by the President as his own, for lowering the income tax to a basis suitable for the days of peace. Mellon was distrusted as a millionaire, and his proposal for the large reduction of the rates on great incomes was attacked on the ground that it favored the rich at the expense of the men with moderate incomes. The result was the passage of a bill that reflected the will of his critics and was much unlike Mellon's suggestion.

An Immigration Act

A less difficult matter was a new Immigration Law, designed especially to check the influx of people from Southern Europe and Slavic regions. It provided that a number equal to only two per cent. of the foreign-born population, taken nation by nation, in this country in 1890 should be admitted an-

nually in the future. As the immigration from South Europe had not become large in 1890, the law of 1924 reduced to a small number the immigrants from that region.

This measure brought up in an acute form the Japanese question. While the bill was before Congress the anti-Japanese group of the Pacific Coast tried to get the absolute exclusion of Japanese immigration inserted in it. President Coolidge, acting through Secretary Hughes, worked hard to keep such a clause out, as by the proposed act only a handful could be admitted yearly anyway. But Secretary Hughes made public a letter of protest from the Japanese minister saying that the proposed exclusion might have "grave consequences" to the relations between the two countries. The foes of Japan seized on this phrase as a threat and created a whirlwind of indignation, so that the Senate would do nothing short of returning defiance for defiance. As passed the bill had the objectionable clause, much to the humiliation of Japan, who felt that it placed a stigma on her people.

Japanese excluded

In the same year, 1924, alarming facts came to light in Washington, seriously reflecting on the correct management of three of the executive departments under President Harding. The occasion was the lease of naval oil reserves in California to E. M. Doheny, and in Wyoming, the Teapot Dome field, to H. F. Sinclair. By law these reserves were under the control of the Secretary of the Navy, but that official, Denby, had with the approval of President Harding transferred the naval reserves to the Department of the Interior, A. B. Fall, Secretary; and the Attorney-General, H. M. Daugherty, had rendered a supporting opinion. Fall lost no time in leasing these lands to Doheny and Sinclair on terms very advanta-

The Oil Scandals

geous to the lessees. Rumor said that these actions were not square, and finally the Senate Committee on Lands began an investigation in 1923. Day after day astonishing revelations came out. Doheny testified that he lent Fall $100,000 in currency two days before the lease was signed, and it was shown that Sinclair had lent him $25,000 about the same time. Fall refused to testify before the committee alleging it might incriminate him and resigned his office. He was indicted for fraud and ordered to trial. Public opinion would not hear of the Attorney-General, who would ordinarily have been the prosecutor, taking charge of the case, and special counsel was appointed. The case, with cases against Doheny and Sinclair, is still in the courts in 1926.

The Fall of Denby

The action of Secretary Denby in transferring the reserves brought suspicion against him and a loud clamor was raised for his dismissal. President Coolidge stood by him stoutly on the ground that nothing was proved against Denby. Then the Senate by resolution demanded his dismissal, but Coolidge replied that the demand was beyond the scope of Senatorial power and that he would not dismiss Denby to satisfy unproved charges. But the pressure of public opinion continued strong and after several weeks of delay the President accepted Denby's resignation.

Daugherty dismissed

The next man to fall was Attorney-General Daugherty. The things that were brought to light showed that he was not the man to prosecute violators of laws made to restrain "big business," which is specifically the duty of an Attorney-General. The Senate, with only one dissenting vote, ordered a special committee to investigate his Department. Daugherty refused to allow the books of the Department to be examined by the committee, and

on this ground the President demanded his resignation. The testimony before this committee was startling. Although much that was said was unproved it was enough to show that the office had been run in a very lax manner. Daugherty's friends attacked the reputation of the chairman of the investigating committee, Senator Wheeler, and he was indicted for unlawfully accepting a retainer from oil men in Montana. On later prosecution the charges collapsed completely, and when the matter came before the Senate that body supported Wheeler by a vote of 56 to 5. So far as the Harding administration was concerned the net result of the investigations was that three members of the cabinet were discredited and the country was convinced that one part of that cabinet had been constituted on a very unfortunate basis. The confidence of the people in Hughes, Mellon, and Hoover was unshaken.

When the oil scandal came before the public the Democrats were disposed to make capital of it; but Doheny, who proved himself a willing witness, took away that hope by testifying that William G. McAdoo, then a prominent candidate for the coming Democratic presidential nomination, had been retained after leaving the cabinet to look after Doheny's interests in Mexico and had received a large fee. McAdoo replied that his services had nothing to do with oil interests out of Mexico; but in the excited state of the public mind, opinion, stimulated by his enemies, turned strongly against him. It was also shown that Franklin K. Lane, another member of Wilson's cabinet, had been retained by oil men after leaving the cabinet. The result was that the Democrats lost the political advantage they expected to reap.

Democrats damaged

The election of 1924 proved to be a tame affair. Coolidge was nominated by the Republicans without

opposition, with General Charles G. Dawes for Vice-President. In the Democratic convention a strong split occurred. The faction that had supported the Wilson reforms of 1913–1914 and announced a progressive policy for the future now appeared in support of McAdoo, Bryan acting with it. The old Champ Clark following appeared with Governor Al. Smith, of New York, at its head. The prohibition question played an important part, but it was kept as much in the background as possible. More evident was the religious question. Smith, a Catholic, was made to stand out against McAdoo, who was said to have the sympathy of the Ku Klux Klan. Many conservative Democrats from the South stood out for favorite sons, and in many ways showed their determination to defeat the nomination of McAdoo, who was the leading candidate. They were able to prevent his success under the two-thirds rule, with the result that after more than a week of struggle John W. Davis was nominated, with Charles W. Bryan, of Nebraska, for Vice-President. Davis was as conservative as Coolidge, and in the end the voters of the country had to choose between two men whose views were much the same on important questions, with the result that they took the Republican conservative by a majority of 382 against 136, with the 13 votes of Wisconsin for La Follette, who had run as a Progressive. The popular vote was 15,748,356 for Coolidge, 8,617,454 for Davis, and 4,686,681 for La Follette.

The Election of 1924

The immediate effect of the election was the beginning of a great boom in stocks and bonds. Business, which had been good before the election, burst forth in speculative confidence, extra dividends were declared freely, and there followed a whole year of liberal buying. During this period the purchase of foreign bonds, public and private, went on

A Boom for Securities

freely in the United States. At the end of 1925 it was estimated that in five years $3,139,833,000 of foreign bonds had been sold in the United States. These bonds had been bought in the first place by great banking firms, but they eventually went to smaller purchasers in all parts of the country. As the only great lending nation at the time the United States were in a position to collect tribute of most of the world. They were also at the mercy of the good faith of the other nations to make their investments secure; for it is evident that they are in no position to coerce by arms and make collection sure, if such a wide field of debtor vassalage showed unwillingness to pay.

This state of confidence lasted throughout the year 1925. President Coolidge wisely declined to disturb it by calling Congress in extra session. When it met in December in regular session the most insistent matters before it were the tax bill, the proposal to join the Permanent Court of International Justice (the World Court), and the long discussed question of Farmers' Relief.

The first measure brought up a discussion of the income tax. When such a debate was up in 1924 Con-

Income Tax Bill of 1926

gress refused to accept the President's plan for reduction, holding that it favored the rich and was not properly considerate of the moderately well-to-do class. When Congress took up the matter in 1925–1926 its spirit had changed. The House acted quickly, and the Senate, by reason of a Republican-Democratic agreement, carried it through more promptly than that body usually acts. The main features were such as would reduce taxes and effect an estimated reduction in the revenue of $456,261,000.

The proposition for joining the World Court had come up under Harding and more than once Coolidge

had repeated it in his communications to the Senate. After his triumph in 1924 he took it up with zeal and by personal influence brought over a number of Senators who had opposed the League of Nations. With this change the matter was carried through the Senate on January 27, 1926, with only 17 votes against it. The resolution for joining the Court contained five reservations designed to make it clear that joining did not commit the United States to any responsibilities to the League of Nations.

World Court with Reservations

The third matter, Farmers' Relief, hung fire. For some years the farmers have demanded that government do for them something comparable to the advantage it gives the manufacturers and their laborers in the protective tariff. In recent times the demand has been insistent. It has been advanced by a strong farmers' bloc, whose ideas have gone as far as to ask the government to create corporations to work for price control of agricultural products. In a speech at Chicago, December 7, 1925, Coolidge declared his opposition to such a scheme and suggested coöperative marketing by the farmers as a remedy for low prices. Between these two extremes the subject remains as these lines are written.

Farmers' Relief

February 12, 1926, the country was thrilled to learn that a strike by anthracite coal miners that began September 1, 1925, was ended. The strike was called to obtain an advance in wages, and it had the appearance of an act of aggression. The strikers seemed to expect that distress would enable them to win another step toward mine control. In the famous strike of 1902 the same condition had existed and the President had come into the field, forcing the owners to compromise by threatening to seize the mines and get out coal for the use of the people.

Anthracite Coal Strike of 1925

In the strike of 1925–1926 no such disposition was shown by the President. Mr. Coolidge consistently refused to interfere. More than this, the people at large showed an unusual disposition to use soft coal or install oil-burning plants. After five months of idleness the miners realized that neither government nor public opinion would come to their support and with spring approaching they could not expect to bring fresh pressure to bear before the next autumn. They went to work again without getting the increased wage they had demanded and with only a slight gain in other respects. The issue of this matter was taken by the public as marking a new turn in the contest between capital and labor.

Signs of the Time

As this book is published the conservative reaction that set in after the World War still rules; but there are signs that it has reached the crest and begun to recede. The Interstate Commerce Commission has asserted its power and forbidden some notable attempts at railroad consolidation, and the Federal Trade Commission has thwarted an effort to create a mammoth bread trust. These two events are as a little cloud to the shower of reform that fell on the country from 1905 to 1914. It remains to be seen what they may portend.

CHAPTER XI

INTERNAL GROWTH IN PEACE AND WAR (1889–1925)

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85. Changing Political Ideals

The most notable development in our political ideals since 1889, strongest in Roosevelt's administration and in the years immediately after it, has been the exten-

sion of government control over industry. This tendency was manifest in the pure food and drug law, the various acts to extend the power of the Interstate Commerce Commissions, the laws to control trusts, the creation of the Federal Trade Commission, the assumption of public direction of irrigation, the conservation of forests, and the restriction of "big business" by taxation and in many other ways. The old idea that a man might do as he would with his own was giving place to the idea that a man must use his wealth subject to the good of all. It is true that the outbreak of war brought other ideas to the front, and for a time men thought about defense more than anything else. But times came during the war when the idea of public control rose higher than ever before in this country, as when railroads, fuel, and food passed under public authority. Peace brought recession, but still there was a strong support for liberal governmental supervision, as is seen in the act of 1920 to regulate transportation. The basis of our political philosophy has shifted greatly since the days of Cleveland.

Public control of industry

By the present practice the state has come to be considered the guardian of public welfare. The older idea was that its proper functions were to protect life and property and to do for the individual only that which he could not do for himself. In a democratic society the logical centre of action is the will of the people. In this country in the last three decades the people have been reaching out for greater power, trying to lessen the influence of special interests in the government, and always advancing, though at the cost of many errors, toward the goal of freer and more intelligent government by the people.

Advancing democracy

This modern struggle for wider popular government

won its first victory in the enactment and gradual execution of the Civil Service Reform Law of 1883. This act lessened the power of the exploiting politicians and to that extent strengthened government by the people. The next attack was on the abuses that had fastened themselves on the use of the suffrage. The purchase of votes, the intimidation of employees at the polls by their employers, the keeping of "black lists" through which punishment was inflicted in one way or another on those who voted contrary to the wishes of the political leaders: these things led to the demand for a secret ballot. Beginning in 1889 state after state adopted a secret ballot until at present the old open ballot no longer exists. Following this achievement came laws in nation and state to limit campaign expenses and to require publicity about the amount and the sources from which the funds are obtained.

Political method

"Australian ballot"

Within this period the Southern States got rid of a large amount of corrupt practice with respect to the use of the ballot, by passing the so-called "grandfather amendments" to their state constitutions. Feeling that it was essential that the negroes should not vote freely they had been in the habit of "neutralizing the negro vote" by intimidation, purchase, or fraudulent counting. By the amendments adopted between 1890 and 1902 by Mississippi, South Carolina, Louisiana, North Carolina, Alabama, and Virginia the suffrage was placed in general on a reading and writing basis, though the ownership of property and the ability to explain satisfactorily a clause in the state constitution are demanded or accepted in some states.

Suffrage in the South

To insure the adoption of some of these amendments by the people, all living voters were permitted to vote

if their ancestors had the suffrage before the negro was enfranchised. By this means the illiterate whites then voting were not disfranchised; and being assured that the amendment would not injure them, they did not vote against its adoption. Without this "grandfather's clause," as it was called, or something like it, the illiterate whites, voting with the Republicans against the amendments, would have defeated the proposals. The "grandfather clause" did not apply to white men arriving at the voting age in the future. Such men had to qualify by being able to read and write. Thus in time these states passed into the number that had a general educational qualification for voting, so far as the whites were concerned. As for the negroes, the amendments were so administered that very few of their people voted. This result led to the institution of cases in the courts disputing the legality of the state amendments as contrary to the Fifteenth Amendment of the Federal Constitution; but none of the cases have been so decided as to set aside the state constitutional powers.

The "Grandfather's Clause"

86. Parties of Economic Discontent

To this period belongs also the populist movement, a wave of rural discontent in the West and South. It followed years of low prices for farm products. Most of the Western farmers were Republicans and most of the Southern farmers were Democrats. The discontented farmers in neither party would go to the other party, and so they turned to a new party as their hope for redress of grievances. The result was the organization of the People's Party in 1891.

People's Party of 1891

The demands of the new party embraced some of the measures for which Roosevelt fought later on. Among

them were an income tax, postal savings banks, the Australian ballot, reduction of taxes, the initiative and referendum, the direct election of United States Senators, an eight-hour day for laborers, and government ownership of railroads, telegraphs, and telephones. These demands were then considered very radical. They were, also, overshadowed by the prominence given to free silver and the demand that the government should print money and lend it at two per cent. interest. The farmer leaders were very democratic and very earnest; but they were not experienced in government. In the older parts of the country their views were considered dishonest and erratic.

Its demands

The collapse of Populism was not so much due to its errors as to the popularity of its demands. Free silver did not kill it; but the capture of free silver by the Democrats drew away voters and left the People's Party high and dry. In 1892 it carried six states in the North and West and had a total popular vote of 1,040,886 for its own candidate. In 1896 it did not dare name a distinct candidate but indorsed Bryan with its own candidate for Vice-President. A small portion, however, would not be swallowed by another party and put out its own ticket. It was dubbed the "middle-of-the-road" wing of the party. Eventually the Populists were reabsorbed into the parties whence they had come. In the South they found in Bryan a leader who stood for all they had desired. In the West they later made the basis of the Progressive Republicans who first organized under La Follette and finally went into the Roosevelt party of 1912.

Disintegration of the party

The dissolution of the Progressive Party was followed by the rise of the Non-Partisan League in the grain growing states of the West. The elevator owners, rail-

roads, and wheat dealers in the large cities were well organized; and by that means able to take profits out of the grain trade, however low the prices. The farmers had to be paid after the others had taken what astuteness enabled them to take. This situation produced bitter feelings and led to the founding of the Non-Partisan League in North Dakota in 1915, which captured the Republican organization and carried the state by a big majority in 1916. Two years later the League got still stronger endorsement and proceeded to carry out a program of state socialism including public elevators, flour mills, a state home building association, and a state bank to handle the funds needed in carrying out this large volume of business for the citizens. The movement spread to surrounding states, Minnesota, South Dakota, Nebraska, Montana, and Colorado; but it was only in North Dakota that it controlled the state. Even there by 1922 it was in a condition of collapse. The state owned business was badly managed and came to bankruptcy. As a political influence the movement still survived. Alongside of it sprang up another movement of less radical purpose, known as the Farmer-Labor Party, which won the strong support of the farmers in Minnesota.

Non-Partisan League

More important is the rise of the Socialist Party which has grown up in the United States with the large influx of immigrants due to the rapid development of industry under protection. Socialistic organizations existed in a small way as early as 1850 but they became important only after the Civil War. In 1868 they became affiliated with the International Working-Men's Association, better known as the First International; and for the last few years of its life the headquarters of that organization were

"First and Second International"

in New York. When the Second International was organized in 1889 the Socialists of the United States affiliated with it.

"Third International"

The outbreak of the World War in 1914 tried that body severely. The Socialists on each side of the Atlantic had to take arms and support the war, which was the negation of internationalism. In February, 1919, after the war ended, a great conference was held at Berne to patch up the Second International. But the war-bred hostilities still survived, and in addition a difference appeared between the Socialists of England and France and the Communists of Russia and adjacent nations. The Socialists dominated at the conference, and the Communists withdrew and a month later organized at Moscow a Third International, based on the doctrines of the Russian leader Lenin. Thus arose a breach in the Socialists of the world. On the side of the Berne Conference are ranged the British, French, and most of the German Socialists. Supporting the Third International were the Russians, with Socialists in the nearby small nations, the Scandinavians, Hungarians, Bulgarians, Italians, and the Independent Socialists of Germany.

Socialists in the United States

These European conditions have had their influence on Socialists in the United States, most of whom were of foreign connection. In 1914 they showed much sympathy for the Teutonic Allies, and in 1917 they held a conference at St. Louis in which they declared themselves against the war and against conscription. Their propaganda attracted wide notice; their newspapers in general were denied the use of the mails; and some of their leaders, including Eugene V. Debs, were tried, convicted, and imprisoned for violating the Espionage Act. This repression enraged the Socialists and on the return of peace they

were more radical than ever. In 1919 they gave general adherence to the Third International and repudiated with scorn the program of the Berne Conference.

Socialists as a political party

The political activities of the United States Socialists go back to the creation of the Social Democratic Workingmen's Party in 1874, changed to the Socialist Labor Party in 1877. It early became infested with Anarchists and was much damaged thereby in the public mind. The Chicago Haymarket riot of 1886 and its sequel were a severe blow, and the party was reorganized, with the Anarchists left out. In 1892 it nominated a candidate for President who received 21,164 votes, which was a discouraging number. Another movement was now being organized by Debs, a man of unusual ability. It became the Socialist Party and drew severely on the older organizations. With Debs for candidate in 1912 it cast 897,011 votes for President; but under a less magnetic leader it had only 585,113 in 1916. In 1920 Debs, at that time in a federal prison, was renominated and received 914,980 votes.

87. The Progress of Democracy

Democracy and the lobby

In the days of Populism much was said about the control of the railroads over state legislatures. The facts were so notorious that they could not well be denied; but the roads replied that it was necessary for them to see that legislators were elected who did not subject them to "strike legislation," that is, the introduction of bills hostile to the roads with the intention of dropping them when the introducers were bought off. There was much truth in this assertion also. The influence of the lobby of big business was strong, and it extended to nominating conventions. Then arose the demand for the nomination of

candidates by direct primaries, which was advocated as a means of giving government into the control of the people.

La Follette and the primary

Two men were largely instrumental in breaking down the convention system, Robert M. La Follette and Theodore Roosevelt. The former attacked it in state politics in 1897 and demanded a legalized open party primary. He was sharply opposed by the party machines, but he did not give up until the people had considered the matter thoroughly. As a result he was elected Governor of Wisconsin in 1900 and reëlected in 1902 and 1904, resigning in 1905 to enter the Senate at Washington. In 1903 he got the Wisconsin legislature to pass a law for the first state-wide direct primary. It did not apply to Presidential nominations. Oregon in 1910 led the way in that respect, and the Roosevelt movement that followed in 1911 and 1912 carried it through twenty-one other states by 1915. The primary dealt a severe blow to boss control in politics. It has made government more democratic, although in some cases it has resulted in the election of men below the standard of a convention choice.

Initiative, Referendum and Recall

The demand for wider popular participation in government brought up the initiative, referendum, and recall. The first was proposed to enable the people to introduce bills which their representatives were unwilling to have considered; the second would enable the people to vote on bills the legislators hesitated to pass; and the third would enable the voters to undo the election of officials whom they thought unfaithful to their trusts. A large number of states adopted these reforms to some extent: few to a large extent. Roosevelt advocated them in the Progressive Party movement of 1912, and in consequence

he was bitterly assailed as a radical. The proposal to recall judges, thus bringing them under the censure of the public, aroused lively opposition, and probably lost him the Republican nomination in 1912.

Another reform was to extend the functions of the post office as against private undertaking. In 1910 Congress passed a law creating postal savings banks, against the opposition of the bankers. It was a measure that had been in politics since the days of the Populists. A similar demand was for a parcel post. It met violent opposition from the express companies, who saw their business threatened, but it was adopted by Congress in 1912 and went into operation on January 1, 1913.

Postal Savings Banks and Parcel Post

New states created during the period treated in this volume were as follows: in 1889 Montana, North Dakota, South Dakota, and Washington; in 1890 Idaho and Wyoming; in 1907 Oklahoma; and in 1912 Arizona and New Mexico. Territories were created as follows: in 1900 Hawaii, and in 1913 Alaska. When Arizona offered herself for admission her constitution contained a clause for the recall of judges. President Taft objected and declared he would not sign the act of admission until the clause was stricken out. Congress supported him, so that the constitution went back to its makers. They dutifully accepted the rebuke, struck out the offending clause, and the state was admitted. Immediately the people of Arizona adopted a constitutional amendment restoring the deleted feature of the constitution. Taft's veto of the clause was received by the Progressives as a blow aimed at them.

New States and Territories

Another outcome of the democratic movement of the time was the demand for amendments of the Federal Constitution. When that instrument was written in 1787

none of its friends thought it perfect. It was called an "experiment" in government, and its chief author, Madison, thought it imperfect, notably in its equal representation in the Senate. After a time friends of the Union began to praise it as a perfect document, particularly those who opposed the state rights ideals of the South. Except for the Civil War amendments, made to adjust the country to the new condition of the negro, no amendment occurred from 1804 to 1913. It had long been the custom to declare the instrument beyond the demand of modification and to consider as great radicals those who wished to alter it. In the desire to avoid extreme alterations, changes were refused which many men considered necessary to make the Constitution keep step with the progress of the country.

Amending the Constitution

The Roosevelt wave was responsible for a change of this view. The first evidence was the Sixteenth Amendment authorizing Congress to lay an income tax without apportionment among the states, proclaimed in force in 1913. In the same year was proclaimed the Seventeenth Amendment, providing for the election of United States Senators by direct popular vote. In 1919 was proclaimed the Eighteenth Amendment prohibiting the manufacture, sale, or transportation of intoxicating liquors for beverage purposes. This action was made possible by the feeling for temperance aroused during the World War. Backed up by federal statutes, the amendment raised violent protest when it was put into execution. The Volstead Act was passed in 1919, to define intoxicating liquors and provide enforcement machinery.

Three amendments

In 1919 was proclaimed the Nineteenth Amendment providing that the right of suffrage shall not be denied on the ground of sex. This amendment ended a pro-

tracted fight. Long before the Civil War women demanded the vote in the United States and for forty-five years after it, without much success. This was the period of ceaseless effort and sacrifice by such women as Elizabeth Cady Stanton, Lucy Stone, Lucretia Mott, Susan B. Anthony, Carrie Chapman Catt, Frances E. Willard, and Alice Stone Blackwell.

Progress of suffrage

Their first success was in the Far West, beginning in Wyoming, where the first territorial legislature adopted woman suffrage in 1869. Utah Territory did the same in 1870; and when the two came into the Union as states they continued the grant. The State of Colorado adopted the reform in 1893 and Idaho in 1896. Here progress ceased for a time. Both of the leading parties were opposed to admitting women to the suffrage.

Then came the Progressive movement, which gladly sought the aid of the women. In 1910 woman suffrage won in Washington, in 1911 in California, in 1912 in Kansas, Oregon, and Arizona, in 1913 in Alaska, in 1914 in Nevada and Montana, in 1917 in New York, and in 1918 in Michigan, South Dakota, and Oklahoma. By voting in eleven states in 1916 the women could claim that they had decided the election; and thenceforward neither of the two great parties dared oppose them openly. In 1913 the Illinois legislature gave them the suffrage, so far as it had the right to bestow it, and the state courts held that the act enabled women to vote for Presidential electors and for candidates for offices created by the legislature. The inference was plain, and several states followed the example of Illinois in 1917. Others followed later, so that early in 1920 thirty states had given women the right to vote at least for Presidential electors.

At this prospect the old parties gave way. In 1918

the House of Representatives adopted the suffrage amendment. It was defeated by the Senate; but next year each house adopted it, and in the following year it received ratification by three-fourths of the states and became a part of the Constitution. This story of a hard fight against great odds is a tribute to the devotion of the leaders of the cause. But for them the battle would not have been won. They received great aid from the spirit of reform that filled the air.

Nineteenth Amendment

88. The Growth of the Labor Movement

When Harrison became President in 1889 the labor movement in the United States had passed its preliminary stage. The Knights of Labor met their climax in the strikes of 1886. Committed to violence through the admission of extreme radicals, they soon afterwards passed into a decline. The American Federation of Labor, organized in 1881, was rapidly taking its place. Its steady growth made it eventually, alongside of the British Trades Union Congress, the most powerful labor organization in the world. In 1917 it had 2,371,434 members. Founded on the federated principle, it drew into its ranks most of the large labor unions in the country, except the great railroad brotherhoods and a small group of electrical workers and Western miners.

Knights of Labor and Federation of Labor

The development of this organization is coincident with the career of Samuel Gompers. This unusual man can be considered the father, guide, and commanding officer of the Federation. He was born in England of Dutch-Jewish parentage and came to the United States when thirteen years old. He joined the first cigar-makers' union in New York City when fourteen years old and gave it his most constant serv-

Samuel Gompers

ices, so that it became one of the best unions in the country. It was built upon the British plan of benefits in case of illness, death, or unemployment. Gompers helped organize the American Federation of Labor in 1881 and became its President in 1882. In 1885 he was again elected, after an interval out of office, and from that time until his death in 1924 was reëlected every year but one.

His success can be attributed to three important principles: (1) He stood for federation with enough autonomy in the unions to enable them to settle internal disputes without involving the central authority. (2) He was ever frugal in expenses. For a long time his own salary was only $1000, and it was never large. (3) He did not attempt to dictate, but debate and compromise were his methods. He contended boldly against some of the critics of labor, among them Theodore Roosevelt and Charles W. Eliot; and he showed himself a worthy adversary.

Gompers' legislative achievement

One of his chief struggles was to get labor unions recognized as exempt from the Sherman Anti-Trust Act of 1890. Roosevelt opposed this demand, claiming that making agreements in restraint of trade should be applied to capital and labor equally. Gompers insisted that labor ought to be given special privileges since it deals with human factors, and not with material products. After Roosevelt was out of office Congress passed an act to Gompers' notion, but Taft vetoed it. Gompers was able to get his demands incorporated in the Clayton Anti-Trust Act, 1914, and Wilson allowed it to go unchallenged; but in 1920 the Supreme Court declared such exemption unconstitutional. Gompers organized an efficient lobby and worked hard in Washington for an eight-hour law, restriction of child labor, and the creation

of a Department of Labor. The last he obtained in 1913, as Taft was about to go out of office.

Gompers and the World War

He gave the government strong aid in the war against Germany. He opposed the sabotage of the Industrial Workers of the World; and in order to see that labor did its full part in the war he sought to Americanize the labor movement, previously too much under foreign ideals, by creating the American Alliance for Labor and Democracy. He headed a labor "mission" to Europe during the war and opposed the efforts of a large section of British labor that wished to make peace without inflicting defeat on Germany. He was neither Socialist nor Communist. He expected capital and labor to exist side by side with coöperation, but with labor occupying the stronger position.

"Industrial Workers of the World"

In 1905 were organized in the United States the Industrial Workers of the World. This organization was an expression of a belief in more violent methods than the labor unions were willing to employ. Its object was social revolution. All labor was to be drawn into "one big union"; and this done, some morning the owners of industry would find the doors of their establishments locked against them, the employees in control, and a régime of communism in operation. The transition would be made without the aid of the political power, and in spite of it. The organization has established itself in several other countries, as Australia, New Zealand, Great Britain, and South Africa; but it is not strong in any. In the United States its membership in 1917 was estimated at 75,000, but in 1923 it was placed at 30,000. In times of strikes its membership has generally risen, but it usually falls when the state of excitement passes.

Methods of the I. W. W.

The Industrial Workers of the World have steadily proclaimed sabotage as their method of contending against capitalism. Putting emery dust into the gearings of costly machinery, introducing soap into the boilers, applying kerosene to belting, and setting railroad switches to produce damage to trains, were some of the means used by these men to annoy employers and create terrorism, so that the capitalists might feel their power. Such practices created great hostility against the organization, whose members formed a secret minority, and it was difficult to get evidence to convict them of violence, although it was known that they advocated the things that people saw happening daily. In some sections, notably Bisbee, New Mexico, and San Diego, California, vigilance committees took charge of them and beat them, tarred and feathered them, and ended with sending them out of the county or state. In the mining regions of the Far West many like efforts were made to rid the communities of the presence of such men.

I. W. W. in the World War

The federal government had much trouble with the organization during the war. Its members opposed the raising of armies, and tried to impede the collection of supplies. The government raided their headquarters, seized masses of documents, and arrested and convicted many leaders. It was widely believed that their efforts to impede the war were paid for with German money. In 1919 a series of bomb explosions occurred in evident efforts to destroy the federal Attorney-General and some of his assistants as well as federal judges and other prominent persons. These acts were probably committed by members of the organization, in retaliation for measures by the government to restrain them.

As labor became organized it began to seek legisla-

tion to improve its own conditions. Its first efforts were to get a shorter working day. "From the sun to sun," that is, sunrise to sunset, was the old rule. At first labor demanded a legalized ten-hour day; and although a few states passed such laws before 1860, in none were the laws enforced fully. After the Civil War, labor demanded an eight-hour law. Congress yielded in 1868 so far as respected federal employment, but its action was soon modified by the courts, so that the law meant little. The agitation for an eight-hour law had slight direct influence; but it called attention to the old abuse and gradually the working day was shortened. Ten hours became normal and then nine, but the victory was won more by labor's direct dealing with employers than by the passage of laws.

Labor legislation

During this period labor was able to obtain many statutes to create better working surroundings and better protection against accidents from machinery. In 1885 it got Congress to pass a law forbidding the importation of contract laborers. Another reform was the passage of state laws against child labor. A long agitation was conducted for the betterment of seamen's wages and conditions of employment. It was demanded that sailors at sea have the same standard of living as landsmen, and be protected against the arbitrary supervisions of officers. The fight came to its victory in the Seamen's Act of 1915. Its enactment left our ship owners at a commercial disadvantage in comparison with foreigners, who were able to get seamen more cheaply.

In the Far West labor had an opportunity to control the wage standard, because of the scarcity of laborers. Then came the orientals, delivered by contract in large gangs, working for low wages, and unlikely ever to

be anything but an unsympathetic part of the population. To meet the situation and control the wage situation labor was able to induce Congress to pass acts to exclude orientals. Labor has also been a continual advocate for restriction on immigration, although in this respect the portion of the labor group that holds to socialism is in the position of divided allegiance. As laborers their interests may demand restriction, as socialists and internationalists they must oppose restriction.

Relation to immigration

Four great unions of railroad employees stand out distinctly; the Brotherhood of Locomotive Engineers, the Order of Railway Conductors, the Brotherhood of Locomotive Firemen and Enginemen, and the Brotherhood of Railroad Trainmen. This is partly because of their excellent organization and partly because they have remained unaffiliated with the American Federation of Labor. In 1924 their combined membership was 451,566. In 1916 these brotherhoods threatened a great strike because the roads had refused their demands for an eight-hour day and other concessions. Each side held out and orders were given for a strike of all the roads at the end of a week. The situation was so serious that President Wilson interfered and got Congress to pass the Adamson Law, granting an eight-hour day with extra pay for overtime work in interstate traffic, and with the understanding that a commission would decide on the wages. The act was bitterly denounced by a large portion of the public, as intended for political effect. But it came at a time of genuine crisis. All forms of business were running at high speed, and a tie-up of transportation would have been disastrous to business and vastly beneficial to the Germans in their military operations.

Railroad unions

During the war labor occupied a very advantageous position. Wages rose and skilled workers passed into the class of prosperous citizens. Labor was in a position to dictate terms to the country. After the war was over, an impression prevailed among the employers that ante-bellum conditions would have to be reëstablished. The unions met this idea stiffly, not hesitating to strike when they felt like it. In 1919 a great strike was called in the plants of the United States Steel Corporation. It lasted from September until the following January, and was in general a failure from the standpoint of labor. At the same time a strike began in the Indiana coal fields, but the President declared it unlawful under the wartime Food and Fuel Act, technically still in force; and he got an order from the courts directing the union officials to recall it. The officials complied, but unwillingly. Although these strikes failed, they had the effect of showing that the great advance made by labor during the war was not to be lost, nor was labor going back to the conditions before the war began.

Labor after the World War

89. Educational and Religious Growth

The period from 1889 to 1926 saw a great development in all phases of intellectual and cultural life in the United States. Wealth increased rapidly and there was a consequent increase in benevolences. Colleges, universities, churches, foundations for the spread of ideas, and other similar institutions sprang up on every hand. The institutions of learning and the schools supported by taxes also grew in power; for the states and local governments manifested a growing willingness to appropriate money for education. In 1890 the total public expenditure on education was $140,506,715. In 1920 it was $1,045,-

Prosperity and benevolences

053,545. In 1890 the school population was 18,543,201; and in 1920 it was 27,728,788. In 1890 the total of salaries of teachers in such schools was $91,836,484; and in 1920 it was $596,174,676. In 1890 the average daily attendance on these schools was 8,153,635; and in 1920 it was 16,248,997. In expenditures and in attendance the improvement is more rapid than the increase in average attendance. Statistics for private schools referring to the same kind of activities are not available, but the rapid growth in the number of such schools shows that here too has been wonderful advance.

Public school system

A characteristic development in education during this period is the tendency to enlarge the activity of the public schools as training-places for the children of the people. Compulsory attendance laws of some kind exist in almost every state in the Union, which insures a general spread of the elements of education. About seven per cent. of the school children pass from the grades to the high schools, and a much smaller per cent. pass into universities and colleges. Formerly the high school was treated as a place for preparing students for college. It has come to be considered a place to prepare them for life, and for that reason the curriculum has been broadened to take in such subjects as manual training, domestic economy, civics, elementary economics, and the principles of natural science. The rounding out and expansion of this curriculum is at present a marked feature of our educational system; and it is likely to go much further than it has gone in increasing the educational standards of the people. The most notable step in this direction is the creation of the Junior High School and the Junior College.

The development of higher education within the period has been equally striking. In 1890 there were

657 colleges and universities with 156,449 students. In 1920 there were 670 institutions and 521,754 students.

Higher education

Some of the smaller colleges had gone out of existence, but the total number of students increased largely. The development in college and university curriculum has been marked by three notable processes: the introduction of courses of new and more specific subjects; the recognition of the student's right to electives; and the wide development of graduate work. At the same time has occurred a marked growth in the work of the professional schools.

The funds for the support of higher education come from endowments, state and federal appropriations, and students' fees. From these four sources the receipts in 1923 were as follows: endowments, $20,165,860; state and city appropriations, $52,821,194; federal appropriations, $12,782,044; and students' fees, $62,941,909. There were 145 institutions of learning each with endowment funds of one million dollars, or upward. It was estimated that more than half of the total of gifts for philanthropic institutions in the country was made for educational purposes. For this purpose princely sums have been given by Andrew Carnegie, John D. Rockefeller, Leland Stanford, Mrs. Russell Sage, and James B. Duke, to be used in a general way for education — to say nothing of the great gifts made to specific institutions by friends and alumni. In the United States we have on a vast scale a splendid exhibition of what it means for democracy to set out to educate itself.

The higher education of women since 1889 is another remarkable phase of our educational development.

Education of women

The first fight for recognition of the right of women to college instruction had been won when the period began; and several notable colleges exclusively for women had been established. Then fol-

lowed the rapid development of the institutions already established and the creation of others. This process has gone forward in three ways: the creation of separate colleges for women; the establishment of women's colleges as adjuncts to colleges for men; and the admission of women to colleges and universities on equal footing with men. In each way the progress has been great. Some of the coeducational institutions have limited the number of women permitted to enter, lest there should be more women than men. The enfranchisement of women has given added stimulus to their education in colleges. It has created a demand for women who can lead in political affairs, and the colleges must meet the demand.

In religious matters the period since 1889 has been marked by the steady development of all the old, and the creation of some new, churches. The most notable of the new organizations is the body ordinarily called the Christian Scientists, which grew out of the teaching and writing of Mrs. Mary Baker G. Eddy. Founded in 1879 the movement made slight progress for a time, but in the twentieth century it spread rapidly until in the United States in 1920 it rose to 1589 churches, besides many others in foreign countries. Statistics of members are not taken by the Christian Scientists.

General growth of churches

The last general census of churches in the United States was taken in 1916. It showed that the total membership of all churches was then 41,920,854, whereas in 1890 it had been 21,699,432. Most of the organizations indicated steady gains, but the most striking fact was the rapid increase of the Roman Catholics. The expansion of manufactures under the protective tariff since the Civil War led to extensive immigration from Catholic countries in Europe.

Increase in membership

In 1890 this church reported 7,343,186 members, and in 1916 it reported 15,721,815. These figures have been criticized because it is the custom of the Catholic Church to count as members all who have been baptized. Making due allowance for this fact it remains that the church has made a very rapid progress in the period named.

Tendency toward church union

Probably as a result of the Roman Catholic development the Protestant churches have been brought into closer mutual relations. This process is sometimes expressed in the federation of local churches, especially such as are weak in membership and in cities where it is desired to obtain coöperation in social service. A second form of common action is in missionary work, in order to prevent the duplication of efforts and to promote the feeling of harmony. A third kind of coöperation lies in the attempts to bring the churches into federated and organic union. Under this impulse a Federal Council of the Churches of Christ in America was organized in 1908, with thirty Protestant national churches represented. The plan left each church distinct for its individual affairs but created common boards to carry on specified activities, as social work, temperance, and education. The movement has been hailed as indicating a change from the tendency toward decentralization that began with the Protestant Reformation and was carried to an extreme stage in the individualistic society of the United States.

90. Back to the Pursuits of Peace

During the war a large portion of the machinery of industry was taken into government hands in order to obtain a quicker and more certain operation. With the return of peace came a discussion about the passing

back of such machinery into private hands. Some persons were inclined to believe that some degree of government operation should be prolonged or, possibly, made permanent. President Wilson seemed to lean to this view when he addressed Congress August 8, 1919, and urged the extension of food control, government regulation of cold storage, and other efforts to fix or influence prices of commodities. He believed such measures were necessary to check profiteering. It is likely that a portion of the bitter opposition he encountered at the time was due to the conviction of business men that he was about to embark on a course of radical control of business by the federal government. December 2, in the message to the regular session of Congress, he repeated his efforts to get Congress to do something to reduce the high cost of living and to insure "a genuine democratization of industry." It was not possible to test the strength of this idea in the elections of 1920; for the eyes of all were then turned to foreign affairs.

Should industrial control be permanent?

By the end of the year 1919 it was evident that most people wanted a return to the old conditions. August 1, in accordance with an act of Congress, the government handed back to private owners the telegraph, telephone, and cable companies. A growing demand was heard for the return of the railroads, but Congress hesitated until some plan could be prepared for their control in private hands. Much concern was felt also about the disposition of the large number of ships built and owned by the federal government for war purposes. The wheat farmers were greatly concerned at the fall in the price of wheat and through their efforts a bill was passed in 1919 to guarantee the existing war price of $2.26 a bushel for another year, but it was vetoed by the President.

Public opinion against State control

The return of the railroads to private owners was another of the reconstruction problems that had to be solved. The Federal Control Act of 1918 provided that the roads should be handed back not later than twenty-one months after the proclamation of a treaty of peace. Public opinion was dissatisfied with government operation and demanded its termination; but it was evident that some provision should be made for the future of the railroads other than existed in the laws before the war.

Transportation Act of 1920, Esch-Cummins Act

The subject was taken up in each house of Congress and two bills were considered. In the Senate it was the Cummins Bill, introduced by the chairman of the Committee on Interstate Commerce, and in the House it was the Esch Bill, introduced by the chairman of the Committee on Interstate and Foreign Commerce. After much debate these two bills were combined and became law, February 28, 1920, as the Transportation Act of 1920, or the Esch-Cummins Act. Its enactment was hastened by the action of the President, who December 24, 1919, by proclamation fixed March 1, 1920, as the day on which the railroads should be returned to their owners.

The debate on the bills attracted much attention, and while it was going on several plans were announced by private individuals for the consideration of Congress and the country. The first came from the Association of Railway Executives. It provided for private control, the consolidation of the roads into great competing systems, joint use of equipment and terminals, a large amount of federal supervision in rates, and the guarantee of fair dividends to the stockholders. The second important plan was from an Association of Security Holders. It approved most of the provisions in the first plan and asked that the govern-

Rival plans

ment guarantee dividends at six per cent., the excess to be distributed among the roads so as to aid the weaker lines. Each of these plans recognized the advantages of combined operations of the roads, as shown by experience during the war, and sought to continue it on the basis of private ownership and governmental supervision.

"Plumb Plan" for railroads

More striking than any other plan was one submitted by the railroad operatives. It was prepared by Glenn E. Plumb, their general counsel, and was known as the "Plumb Plan." It provided for the purchase of all the roads by the government, payment to be made in bonds which were to be redeemed later through a sinking fund. But it did not include operation by government. For that purpose the roads were to be handed over to a corporation with no capital stock, who as lessee would operate them. The corporation was to have fifteen directors, five appointed by the President, five by the classified employees, and five by the operating officials. Earnings above expenses and fixed charges were to be divided equally between the government and the employees, the operating officials to get twice as much as the classified employees. When the government's share exceeded five per cent. of the value of the roads the rates were to be reduced by the Interstate Commerce Commission. If there was a deficit the government would meet it, until rates could be raised. The Plumb plan attracted much attention and steps were taken to make it a political issue in 1920; but it was not sustained by general opinion and played little part in the elections.

The Transportation Act of 1920 rested on private ownership, with a large extension of the authority of the Interstate Commerce Commission. It provided that the Commission should fix such rates as would yield

a fair return on valuations, after reasonable deductions had been made for maintenance. The Commission was to form rate groups with respect of conditions in various sections of the country. For the first two years the rate of return was to be 5½ per cent. of the valuation with an additional half of one per cent. allowed for improvements. If any road made more than 6 per cent. one half of the excess should accumulate until it represented 5 per cent. of the valuation of the company when it would be used as a reserve fund for emergencies. The other half of the excess was to be paid to the Commission and constitute a revolving fund for the use by loans to roads in need of assistance. It was also provided that the carriers should not in the future issue securities without the consent of the Commission. To satisfy the general desire for some kind of unity of operation it was provided that the Commission could permit the roads to consolidate and that it would prepare and adopt as soon as possible a plan for the consolidation of the railroads in the United States. The Commission was given discretion in arranging through routings, even to the point of ordering the installation of switches at possible junction points. It could permit pools and fix the ratio of distributing the profits. Arrangements were also made for settling disputes with railroad labor by means of arbitration boards. The act expressed the farthest advance we have made in federal control of railroads in this country in time of peace, but it expressly avoided government ownership.

Provisions of the Railroad Act

The arrival of the Republicans in power in 1921 naturally brought up the tariff. Many complaints were made by the manufacturers against the Underwood tariff, of 1913; and it was believed by some that our markets were about to be

Tariff discussion

swamped by European goods dumped on our shores. Against the argument now appeared a new contention in the history of our tariffs. It was urged that partly through the development of foreign trade during the war and partly through the natural growth of our manufactures, the country had developed a capacity in excess of the home demand and must have an outlet to the markets of the world, a thing we could not expect, if we did not encourage the importation of the goods of the peoples to whom we sold. This kind of reasoning was strengthened by those who believed that our capitalists would have to lend money for the reconstruction of war wrecked states abroad and must expect to be paid in the products of those countries. Between these two sections of opinion, both strong in the Republican Party, the debate was carried on for some time. A high tariff bill was introduced into the House early in the extra session of 1921 and passed there on July 21. In the Senate it slept eight months and three weeks and was not passed until September, 1922. As adopted it was a triumph for the high protectionists.

McCumber Tariff

The end of the war found the government with more than 1980 mercantile ships on its hands, completed or so far advanced in construction that it was thought necessary to complete them. The aggregate bill for their construction was $3,313,000,000. No one imagined they could be sold for half of their cost. Built very hurriedly for immediate service and most of them after a standard small ship design, they were not adapted for peacetime commerce. In 1920 Congress passed a new Merchant Marine Act, in which it was provided that the ships should be sold to private owners who were United States citizens.

Disposal of government owned ships

During 1919 and 1920 many of these ships were in active service under the direction of the official Shipping Board. They continued to operate on the routes established during the war, and it was wise to keep them in service, since they could be sold on better terms if engaged in established lines of commerce. By 1921 British ships were again covering the seas, and the United States ships found diminished demands for service and increasing deficits in their operating accounts. In that year only 389 of the ships were actively employed and the deficit was about $85,000,000.

Ships on the bargain counter

The Shipping Board, under which the ships were operated by private companies, appealed to the government for help. President Harding supported the appeal and vigorously urged Congress to vote subsidies, on the ground that it was necessary to make the ships profitable before they could be sold to an advantage. His appeals made slight impression, and the country took little interest in creating a merchant marine in the way indicated. In 1922 the Shipping Board sold 326 of the wooden ships built during the war for $750,000. The average original cost of each was $700,000. Others were disposed of so that, September 1, 1923, the board had on hand 1345 ships of all kinds, of which 369 were in active service.

Veterans Bureau

To take care of the soldiers of the World War who had suffered permanent impairment was another matter engaging the attention of Congress. In 1921 it created the Veterans Bureau to administer all forms of assistance. Before that time aid had been given in three forms: war risk insurance, vocational education including the rehabilitation of certain classes of the injured, and compensation for injuries. For these purposes the government had expended up to February 1, 1922, the sum of $2,702,321,185, of which $860,154,-

493 was for insurance claims and $18,600,000 for the erection of hospitals. In 1922 the total sum appropriated for disabled ex-service men was $510,000,000.

When these liberal provisions were made it was assumed that they would obviate a system of service pensions, like that which followed the Civil War. It was soon evident that no such escape was likely. In 1922 a bill was introduced and passed through Congress for a bonus to all former soldiers, the estimated cost of which was $4,098,000,000, distributed over a period of twenty years. The bill was vetoed by President Harding and failed to pass the Senate over his veto. Its passage was demanded by ex-service men, who continued to keep the measure in Congress and neither party was willing to oppose it. A bonus law, based on the insurance plan, with loans on the policies, was finally passed in 1924, by which it was estimated that the government assumed an obligation of at least $2,500,000,000.

Bonus Bill of 1922

In 1918 Truman H. Newberry was returned as elected to the United States Senate from Michigan. Charges were made that he had spent more money in the primaries than was permitted by the federal law regulating the expenditure of money in elections of Senators. He was permitted to take his seat in the Senate, where his vote gave the Republicans a majority and allowed them to organize the Senate and appoint a Foreign Affairs Committee. Criminal charges were laid against him in the federal district court in Michigan; and he and sixteen others were convicted and sentenced to fine, or imprisonment, or both. He took an appeal and the federal Supreme Court set aside the verdict of the district court, on the ground that Congress had no authority to regulate primaries. Newberry, who had ceased to attend the Senate after

Newberry bribery case

the first decision, now resumed his seat. The affair made a strong impression on the country and played a part in the elections of 1922, in which the other Michigan Senator was defeated, with several others who had supported Newberry.

It was assumed that the Senate would now take up the matter again with the prospect that Newberry would be expelled. Such action was avoided by the resignation of the offending Senator. Newberry and his friends did not deny spending more than the amount allowed by the corrupt practices act, but they rested their defense on the ground that money was not spent in the purchase of votes. They ignored the idea that vast expenditures of money in elections, even though the purpose for which they are used is not corrupt, gives wealth the power to decide the election, which is contrary to the spirit of a democracy.

The growing feeling of the voters in the Newberry matter showed that the spirit of political reform, so strong in the time of Roosevelt and Wilson, was beginning to rise above the feeling of indifference which followed the World War. Another manifestation of the same tendency was seen in the formation of a "Farmers' Bloc" in Congress. Republicans and Democrats were in it, and they pledged themselves to support laws favorable to the farmers. They claimed that the high tariff of 1922 was a bonus for the manufacturers, and obtained only because the manufacturers were organized and served by a powerful lobby. What one class of people did, another might be expected to do. Among the measures supported by the Farmers' Bloc and passed by Congress were acts to regulate trading in grain, to promote coöperative marketing by farmers, to regulate the packing industry, to create and enlarge federal farm loans at five and

Farmers' Bloc

one-half per cent. interest, and to place a farmer on the Federal Reserve Bank's executive board. One of the important measures championed by the bloc was the "Truth in Fabric" Bill, requiring fabrics to contain what their labels said they contained. The bill was defeated by a well organized lobby of the interests it sought to restrain.

INDEX

"A B C POWERS," 207.
Adamson Law, The 328.
Aguinaldo, E., taken to Manila by Dewey, 87; organizes a government, 87; in the Philippine War, 88.
Aircraft Controversy, 244.
Alaska, development of coal mines in, 170; a territory, 184.
"Aldrich Plan, The," 199.
Aldrich, N. B., his plan for currency reform, 199.
Altgeld, Governor, attitude in Chicago Strike, 48.
Amendments, 320; Sixteenth, 321; Seventeenth, 321; Eighteenth, 321; Nineteenth, 321–323.
American Expeditionary Forces, 249–252; size of the army, 249; transporting them to France, 250; organization of, 251.
American Federation of Labor, 323.
American Steel Foundries Case, 50.
American Tobacco Company, dissolved by the Court, 129.
Appalachian Forest Reserve under Taft, 140, 185.
Arabic, destruction of the, 227.
Arbitration, (1897), 69, under Taft and Roosevelt, 186.
Argonne Forest, fighting in, 265–268.
Arizona, admitted to the Union, 320.
Armistice, The, 276–280; Signed, 279.
Army. *See* National Defense.
Association of Railroad Security Holders, 335.
Association of Railway Executives, 335.
Asylum, right of, 31.
Austria-Hungary, recall of Dumba, 214; and the World War, 234; Submission of, 278.

BAKER, Secretary, before Committee, 243.
Ballinger, R. A., 168; Controversy with Pinchot, 170–173; investigated, 171; resignation of, 172.
Balmaceda, 31.
Baltimore, The, at Valparaiso, 32.
Baruch, B. M., 241, 242.
Belleau Woods, 254, 259.
Belmont, August, makes contract to give gold for bonds, 46; attacked by Bryan, 182.
Benevolences, 329.
Bering Sea, status in international law, 29.
Bernstorff, Count von, on neutrality, 224; leaves the United States, 232.
"Big Four," the, 282–283.
Biltmore estate, 140.
Blaine, James G., Secretary of State, 6; reciprocity policy of, 10, policy of as Secretary of State, 27; and Samoan incident, 27; and Mafian incident, 28; position on seal fisheries, 29; on Chilean controversy of 1881; 30; on Chilean controversy of 1891, 31; and the nomination of 1892, 34; death of, 34.
Bliss, General Tasker H., 281.
Blockade, British use of it, 222.
Blount, J. H., agent to investigate Hawaiian revolution, 52.
Boer War, influence on relation of Great Britain and the United States, 57.

Bonus Bill, the, 340.
Boston, The, in Hawaiian revolution, 52.
Boxer Outbreak, 146–147.
Brownsville incident, 158.
Bryan, W. J., opposed to Cleveland, 40; denounces Cleveland for selling bonds, 47; at Democrat Convention of 1896, 60; nominated, 60 indorsed by other parties, 61; defeated in 1896, 61; influence on treaty with Spain, 86; nominated in 1900, 90; and Democrats in 1904, 119; tries to settle question of Japanese landholding, 150; nominated in 1908, 162; in Democratic convention of 1912, 182; Secretary of State, 192; on neutrality, 224; resignation of, 227.
Bucks Stove and Range Case, 50, 157.
Bulgaria, surrender of, 278.
Bunau-Varilla, Philip, in the Panama plot, 112; minister from Panama, 114.
Business Men in Politics, 66.

CALIFORNIA, "oriental schools" in, 149; Japanese landholders in, 150.
Calles, President of Mexico, 300, 301.
Cambra Drive, the, 255.
Campaign expenses, 6; large, in
Cambrai Drive, the, 255.
1896, 61.
Canada, attempt to obtain reciprocity with, 177.
Cannon, Jos. G., urges conservativism, 160; disciplines the Insurgents, 173; his power broken, 174.
Cantigny, battle at, 258.
Carey Act for irrigation, 141.
Caribbean Policy, 151–157; effects of, 154.
Carlisle, J. G., sells bonds, 45.
Carnegie, Andrew, builds "Temple of Peace," 156; and education, 331.
Carranza, revolts in Mexico, 206; and "A B C Powers," 208; attitude towards Pershing's expedition, 209.
Central American League, 156; Court of Justice of, 156.
Cervera, Admiral, sent to Cuba, 79; his predicament at Santiago, 80; his losing battle, 81.
Chamberlain, Senator, declares War Department a failure, 246.
Charleston, The, 32.
"Charter of Democracy," Roosevelt's, 180.
Château-Thierry, 254; reached by Germans, 256; Americans meet Germans near, 258; counter attack near, 261.
Chicago Strike of 1894, 48–50; attitude of Cleveland, 49.
Child Labor, 138, 327.
Chile, controversy with in 1881 30; controversy of 1891, 31; and The *Baltimore* incident, 32.
China "Open Door" in, 145; and the Boxer Outbreak, 146: indemnity, 147; and possession of Shantung, 288; at Washington Conference, 295; in the Nine-Power Treaty, 297; and Customs and the Post Office, 298.
Christian Scientists, 332.
Churches, growth of, 332; union of, 333.
Civil Service Act, 6.
Clark, Champ, in Democratic Convention of 1912, 182.
Clayton Anti-Trust Law, and labor injunctions, 50, 324; passed, 203.
Clayton-Bulwer Treaty, 107; repealed, 109.
Cleveland, Grover, and reform, 3; tariff policy of, 8; and pensions, 20; nominated in 1892, 35; re-elected, 35; significance of his second administration, 38–40; influence of the money situation, 38; influence of the panic of 1893, 39; two groups opposed to him, 40; and repeal of Sherman Law, 41; and outgo of gold, 41; on the Wilson-Gorman tariff, 43; sells bonds to protect gold supply, 45; makes contract with Morgan group of bankers, 46; denounced for Morgan contract, 47; attitude in Chicago Strike, 49; and Hawaiian annexation, 51–53; or arbitration of Vene-

zuelan boundary controversy, 54; new form of Monroe Doctrine, 55; forces arbitration of Venezuelan controversy, 54–56; and Cuba, 72; agrees to serve on anthracite coal investigation, 99; his idea of settling strikes, 100.
Coal Strike of 1902, 99; of 1925, 308.
Colleges, development of, 331.
Colombia, United States of, and French Canal, 108; views of a canal, 110; repudiates Hay-Herran Convention, 111; protests Roosevelt's action in Panama, 114; claim adjusted, 115.
Commerce Court, 133.
Commerce and Labor, Department of, 125.
Conservation, under Roosevelt, 138–145; opposition to, 145; Taft's policy on, 185.
Conservation Commission, 144.
Continuous voyage, 216.
Coolidge, Calvin, nominated for vice-presidency, 293; elected, 294; as president, 302; and the oil scandals, 304; elected in 1924, 305; effect of his elections on prices of securities, 306; favors World Court, 307; and farmers' relief, 308; and anthracite coal strike, 309.
Corporations, Bureau of, created, 125.
Costa Rica, 156.
Council of National Defense, created, 236, 241.
Cox, J. M., nominated for presidency, 293; defeated, 294.
Cruiser warfare, 221.
Cuba, in Ten Years' War, 70; misgovernment in, 71; revolution of 1895, 70; Spanish pressive measures of Spain, 71; Cleveland's attitude toward, 72; McKinley's attitude, 72; autonomy offered, 73, 75; Santiago campaign, 79–83; independence established, 83, 84; relations with, 152; the "Platt Amendment," 153; intervention in 1905, 154; relations since 1906, 154.
Cummings-Esch Act, 335.
Cunningham Syndicate, 170.
Currency, inelastic, 160, 198; Vreeland Act, 161.
Customs Treaty for China, 298.

DANBURY Hatters Case, 50, 136.
Daugherty, H. M., and the oil scandals, 303; dismissed, 304.
Davis, John W., candidate for presidency, 306.
Day, Wm. R., Secretary of State, 65; peace commissioner, 83; on acquisition of the Philippines, 84.
Debs, Eugene V., and Chicago Strike, 49; candidate for the presidency, 318.
Debts, interallied, funding of, 299.
Declaration of London, 217–219.
Defense, National, Wilson's preparations for, 228–231; state of in 1914, 228; cost of armies, 228; the "Hay Bill," 229; influence of *Lusitania* incidents on, 229.
De Lima *vs.* Bidwell, 102.
Democracy, the progress of, 312, 318–323.
Dependencies, development of, 101–107.
Depth bombs used, 272.
Deutschland, The, crosses the Atlantic, 272.
Dewey, Commodore, at Manila, 77; his relations with von Diedrich, 78; takes Aguinaldo to Manila, 87; ready for service at Venezuela, 116, 117.
Diaz, Porfirio, overthrown, 203.
Diedrich, Vice-Admiral, von, at Manila, 78.
Dingley Tariff, 67.
Disarmament, Naval, 295, 296.
Doheny, E. L., in Mexico, 204; and oil scandals, 303.
Dolliver, Senator, against Payne-Aldrich Act, 169; in Ballinger controversy, 171; on Taft, 173; death, 179.
Drugs, Pure, Act, 135.
Duke, J. B., and education, 331.
Dumba, his unneutral conduct, 214.
Duplex Printing Case, 50.
Durazzo, 271.

EDDY, Mary G. Baker, 332.

Education, growth of, 329–332; benevolences for, 329; public schools, 330; higher education, 330; for women, 331.
Egan, Patrick, in Chile, 31.
Elections; 1890, 10; 1892, 33–36; 1896, 57–62, 1900, 88–92; 1902, 101; 1904, 119; 1908, 161; 1910, 176; 1912, 180–183; 1916, 230; 1918, 290; 1920, 292–294; 1924, 305.
Elections Bill, Federal, 22; suppression of Negro Vote in South, 23; Southern State Amendments on, 23–26.
Eliot, Charles W., 324; and the election of 1892, 35.
Elkins Act, 132.
Emergency Fleet Corporation, 240.
Employers' Liability Act, 160.
Employers' Liability Law, first, 138; second, 138.
"Endless Chain," the, 44, 46.
Entente Allies, relations with, 215.
Erdman Act, 135.
Espionage Act, 239.
Exports Administrative Board, 239.

FALABA, loss of the, 224, 225.
Fall, A. B., and the oil scandals, 303.
Farmers and the McKinley Tariff, 9.
Farmers Bloc, 341.
Farmers' discontent, 314–316.
Farmers' relief, in 1926, 308.
Federal Council of Churches, 333.
Federal Reserve Bank, 190; created by Congress, 198–200; and elasticity, 198; passage of the Act, 199; its provisions, 200; and a farmer on the Board, 342.
Federal Trade Commission, 190, 201.
First Division, arrived in France, 253; training in France, 254; at Cantigny, 258; in Foch's Counter Attack, 261.
Fiume, the possession of, 287.
"Five Brothers," the, 201.
Five-Power Naval Pact, 296.
Five-Power Treaty, the, 297.
Foch, becomes Commander-in-Chief, 256; his counter attack south of Soissons, 261.
Food Control, 237.
Food, Pure, Act, 135.
Foraker Act, 102, 103.
Forbes, General, in the Philippines, 107.
Fordney-McCumber Tariff, 337.
Forests, Roosevelt's efforts to save, 139–141; Division of Forestry created, 140.
Four-Power Treaty, the, 296.
"Fourteen Diamond Ring Case," 103.
"Fourteen Points," the, 277; effect in Germany, 277; basis of German surrender, 279; their fate at Paris, 283.
French Panama Canal, 108.
Fuel Control, 237.
Furor politicus, the, 157.
Funston, General, captures Aguinaldo, 88.

GARFIELD, Harry A., appointed Fuel Administrator, 237; in "War Cabinet," 242.
Garfield, J. H., head of Bureau of Corporations, 125; not retained by Taft, 167.
Gerard, Ambassador, leaves Berlin, 232.
German-American Alliance, and propaganda, 213.
Germany, her ships of war at Manila, 78; her designs in Venezuela, 116; retreats before Roosevelt, 117; propaganda in the United States, 212; and purchase of munitions, 213; and the right of neutrals to travel, 213; and fraud and violence, 214; her conduct discussed, 215; protests Ententes course, 219; defies rights of neutrals, 219–223; use of submarines and mines, 219; establishes "war zone," 221; protests use of neutral flags, 221; violates rules of cruiser warfare, 221; position on submarine warfare, 223; operations of her submarines, 224–227; concession on submarine warfare, 221, 231, war declared against, 231–234; announces unrestricted submarine warfare, 232; Congress declares

war, 234; drives against Entente lines in 1918, 254–257; Marne drive of 1918, 260; in a state of exhaustion, 277; deserted by her allies, 278; her resistance crumbles, 278; asks for peace, 279; separate treaty with, 294.
Glavis, L. R., 170, 171.
Gold, exports of, 41; the "Endless Chain," 44; forces bond selling, 44.
Gold Standard, growing opinion for, 58; adopted by Republicans in 1896, 59; an issue in campaign, 67; adopted in 1900, 68.
Gompers, Samuel, career of, 323–325.
Gorman, A. P., in the election of 1892, 35; weakens Cleveland's second administration, 40; on the tariff of 1894, 43.
Gouraud, General, supports Pershing in Argonne battle, 267.
Governors' Conferences, 144.
"Grandfather Clause," 25, 313.
Gray, George, peace commissioner, 83; on acquisition of Philippines, 84.
Great Britain, and Venezuelan Controversy, 53–56; better feeling for the United States, 57; and the "Open Door," 146; and neutral trade, 216–219; and continuous voyage, 216; Declaration of London, 217; and contraband, 218; establishes "military area" in North Sea, 220; use of neutral flags, 221; her use of blockade, 222.
Guam, Island of, 84.
Guatemala, 156.

HANNA, M. A., 7; becomes party manager, 58; obtains McKinley's nomination, 59; becomes senator, 65; and Roosevelt, 95; conciliated by Roosevelt, 97; fails to settle anthracite coal strike, 99; advises against Roosevelt's action in Panama, 115; and the election of 1904, 119.
Harding, W. G., nominated for presidency, 293; elected, 294; and Washington Conference, 295; and adjustment of Mexican relations, 300; and the World Court, 301; death of, 301.
Harrison, Benjamin, as president, 4; on pensions, 20; foreign affairs, under, 26–33; did not guide legislation, 26; on the *Baltimore* incident, 32; his unpopularity, 33; renomination, 34; defeated, 35; on Hawaiian revolution, 52; and forest conservation, 140.
Harrison, Fairfax, 238.
Hay, John, Secretary of State, 65; negotiates Hay-Pauncefote Treaty, 110; and the "Open Door," 145; and the Chinese indemnity.
Hay-Herron Convention, 111.
Hay-Pauncefote Treaty, 109.
Hawaii, early relations with, 51; revolution of 1893, 51; failure of annexation in Cleveland's time, 52; Republic continues, 53; annexed in 1898, 53.
Hepburn Act, 132.
Hill, D. B., in the election of 1892, 35; weakens Cleveland's second administration, 40; on the tariff, 43; rejected by Democratic Convention of 1896, 60.
Hill, J. J., and Northern Securities Case, 128; attitude toward Roosevelt, 129.
Honduras, 156.
Hoover, Herbert, appointed Food Administrator, 237; in "War Cabinet," 242.
House, E. M., 281.
Huerta, Victoriano, overthrows Madero, 204; and Tampico incident, 207; and "A B C Powers," 208; retires from Mexico, 208.
Hughes, C. E., and New York Primary Bill, 175; nominated for presidency, 230; defeated, 231; report on aircraft situation, 245; at Washington Conference, 295.
Hurley, Edward N., 240, 242.

IMMIGRATION, Japanese, 149–151; general act of 1924, 302.

Income Tax of 1894, 42, 43, 44; amendment adopted, 196; laid by Congress, 196; reduction of, 301, 307.
Industrial Workers of the World, 325.
Industry, public control of, 311, 333.
Initiative in legislation, popular, 319.
Injunctions in strikes, 49–51.
Inland Waterways, 143.
" Insular Cases," the, 101.
Insurgents of 1909, 169; growth of, 173–176; disciplined by Cannon, 174; Taft's attempt to conciliate, 174; influence on elections of 1910, 176; and Canadian reciprocity, 177; become " Progressive," 179.
Internation, the First, Second, and Third, 316.
International Workingmen's Association, 316.
Interstate Commerce Commission, 124, 131, 190; strengthened, 132, 184.
Investigations of the War Agencies, 242–247.
Irrigation, 141.
Italy, suspends intercourse over the Mafiam affair, 28; United States troops in, 270; and Fiume, 287.
Itata, pursuit of the, 32.

JAPAN, and the Treaty of Portsmouth, 147; problem of immigration from, 149–151; distrust of the United States, 148; and Shantung, at Paris, 288; and the Washington Conference, 295; and the Four-Power Treaty, 196; and the Five-Power Naval Pact, 296; and the Nine-Power Treaty, 297; and the Island of Yap 298; and the Immigration Act of 1924, 303.
" Jingoism," 27.
Jones Act for Philippines, 106.
Jungle, The, 134.
Junior High School, the, 330.

KAHN, Julius, introduces Army Bill, 236.
Kiao-Chau, 116.
Klondike, gold discovery at, 88.
Knickerbocker Trust Company, 159.
Knight Case, 126.
Knights of Labor, 323.
Knox, P. C., 96, 97.
Kriemhilde Line, 266, 268.
Ku Klux Klan, 306.

LABOR, Roosevelt's attitude towards, 135; Erdman Act, 135; Newlands Act, 136; Danbury Hatters Case, 136; Bucks Stove and Range Case, 137; relation to political parties, 137; Employers' Liability Law, 138; Child Labor, 138; growth of the labor movement, 323–329; Knights of Labor, 323; American Federation of Labor, 323; influence of Gompers, 323–325; and Clayton Anti-Trust Act, 324; and the " I. W. W.," 325; and labor legislation, 326; and immigration, 327; the railroad unions, 328; after the World War, 329.
Laconia, destruction of the 233.
La Follette, leads Progressives, 179; displaced by Roosevelt, 180; strength in convention of 1912, 180; candidate for the presidency, 306; and the primary, 319; his reforms in Wisconsin, 319.
Lands, government policy of distribution, 138; abuses of, 139; Roosevelt's policy in, 139; forest conservation, 139–141; irrigation, 141; swamp lands, 142.
Lane, F. K., Secretary of the Interior, 192; and oil lands, 305.
Lansing, Robert, Secretary of State, 227; protest to Germany, submarine concessions, 227; at Paris, 281.
League of Nations, the longing for permanent peace, 280; Wilson's attitude, 280; the only demand by the United States, 282; the covenant dropped, 284; saved by Wilson, 284; provisions of the covenant, 285; fight for rati-

fication, 289–292; influenced by Democratic defeat in 1918, 290; treaty laid before the Senate, 291; in campaign of 1920, 293.
Lee, Fitzhugh, at Havana, 74.
Lilioukalani, deposed by revolutionists, 51; apology to, 53.
Lind, John, sent to Mexico, 205.
Lloyd George, call for ships, 250.
Long, J. D., orders to Dewey, 77.
Lusitania, significance of incident, 223; sunk by a submarine attack, 225; three notes on, 225; German rejoicing, 226; influence of incident on national defense, 229.

MACHINE gun controversy, 244.
Madero, slain, 204.
Mafian incident, 28.
Maine, the, destroyed, 74.
Manila, battle of, 77.
Mann-Elkins Act, 133, 184.
Marines, United States, at Belleau Wood, 259.
Maritime Canal Company, 108.
Maximilian, opens peace parleys, 279.
Mayo, Admiral, and Tampico incident, 207.
McAdoo, W. G., Secretary of the Treasury, 192; political fortunes affected by relations with Doheny, 305; in Democratic Convention of 1924, 306; appointed Director-General of Railroads, 238; and railroad wages, 239; in "War Cabinet," 242.
McCormick, Vance, 240, 242.
McDermott, and tariff, 197.
McKinley, William, Jr., as Congressman, 5; frames tariff bill, 8–10; nominated for presidency, 59; elected president, 61; as president, 64; relations with Hanna, 65; gives office to Roosevelt, 66; and the Gold Standard Act of 1900, 68; attitude towards Cuba, 72; and Cuban autonomy, 73; ultimatum to Spain, 75.
decides on war, 76; agrees to protocol of peace, 83; decides for Philippine ownership, 84; nominated in 1900, 89; elected in 1900, 90; gains sympathy of the South, 91; modified tariff views, 91; his death, 92.
Mellon, Andrew, and the revenue bill, 302; bill of 1926, 307.
Merritt, General, arrival at Manila, 87.
Meuse-Argonne campaign, the, 265–269.
Mexico, Wilson's dealings with, 203–210; oil industry in, 204; social classes in, 204; attitude toward foreign capital, 205; Wilson's idea of Mexican situation, 205; Mexico, adjustment of relations with the United States, 300; popular revolution in, 300; and foreign capital, 301.
"Military Area" in North Sea, 220.
Mitchell, John, and coal strike of 1902, 99.
Monetary Commission, National, 198.
Monroe Doctrine in Venezuelan controversy, 55, 56; Roosevelt's idea of, 115, 118; applied in Venezuela, 118; in the Caribbean, 151.
Morgan, J. P., his contract to give gold for bonds, 46; and coal strike of 1902, 99; attacked by Bryan in 1912, 182.

NASHVILLE, the, arrives at Colon, 113.
National Cordage Company, 39.
National Defense, General Staff created, 230; organizing for war, 234–242; a new army, 235; army supplies needed, 236; council of created, 236, food control, 237; fuel control, 237; railroad control, 238.
National Guard, on Texas border, 209; strength of in 1914, 228; in the A. E. F., 251.
Navy in the World War, 271–274; submarine destroyed,

271; depth bombs, 272; in the Grand Fleet, 273; as convoys, 273; laying mines, 274.
Negroes, lose suffrage in the South, 22–26, 313; and Brownsville incident, 158.
Neutral flags, use of, 221.
Newberry, Truman H., right to his seat, 340.
"New Freedom," the, 191.
Newlands Act, 136.
Newlands Reclamation Act, 142; progress under, 142.
New Mexico admitted to the Union, 320.
"New Nationalism," 176. 192.
New states admitted to the Union, 320.
Nicaragua, 156; relations with, 186; a protectorate over, 186.
Nicaraguan Canal project, 109.
Nine-Power Treaty for China, 197.
Non-Partisan League, the, 316.
Northern Securities Case, 123, 128, 132.

OBREGON, President of Mexico, 300.
Oil Scandals, the, 303–305; political effects, 305.
Oklahoma, "grandfather clause," 25.
Olney, Richard, and Venezuelan incident, 55.
"Open Door," the, 145.
Osowatomie, Kansas, 176.
Overman Act, 247.
Owen-Glass Bill, 198.

PACIFIC Cable Treaty, 298.
Palmer, General, nominated for presidency, 61.
Panama, in the Central American League, 156.
Panama Canal, necessary, 107; French company, 108; in the hands of speculators, 108; offered for sale, 109; Colombia's plans, 110; Bunau-Varilla's part, 111; Panama revolution, 111–114; Canal constructed, 115.
Panama Revolution, 111–114.
Panic, of 1893; extent of, 40; of 1907, 159.
Parcels Post, 185, 320.
Parker, Alton, B., 182; nominated in 1904, 120; his free silver telegram, 120.
Payne-Aldrich Tariff, 168–170.
Peace Conference at Versailles, 280–289.
Pensions, Military, before 1865, 18; after the Civil War, 18–22; private bills, 19; act of 1879, 19; Cleveland's policy on, 20; Harrison's attitude, 20; dependent act of 1890, 20–22; amount expended, 21.
People's Party, 61, 314.
Pershing, General, expedition into Mexico, 208; withdrawn, 209; on aircraft, 245; arrival in France, 251; offers his troops to Foch, 257; on fighting on the Marne, 260; takes over American sector, 262.
Philippine Islands, battle of Manila, 77–79; in the peace negotiations, 84–86; war with Filipinos, 86–88; status of, 101; Civil Government in, 103–107.
Pinchot, Gifford, head of Forestry Division, 140; controversy with Ballinger, 170–173; advises Glavis, 171; dismissed, 171.
Platt Amendment, the, 153.
Platt, T. C., and Roosevelt, 89.
"Plumb Plan," the, 336.
Political Morality, development of, 313.
"Politics is adjourned," 235.
Porto Rico, taken from Spain, 83; treaty provisions for, 84; status of, 101; and the Foraker Act, 102; civil government in, 103.
Postal Savings Banks, 185, 314, 320.
Primaries, influence of Southern Suffrage Amendments on, 26; favored by Insurgents, 175; La Follette and the, 319.
Progressive Party, founded, 181; in 1924, 306.
Prohibition, amendment for, 321.
Public Schools, 330.
Pullman Strike of 1894, 48–50.

RAILROADS, Roosevelt's idea

of Inter-State Commerce Commission, 124, 131; Elkin's Act, 132; Mann-Elkins Act, 133, 184; and the Rayburn Bill, 203; control of in the war, 238; and railroad unions, 238; and wages, of employees, 239; in 1920, 335, 337.
Railroads' War Board, the, 238, 239.
Rayburn Bill, the, 203.
Recall of judges, 186; of judges, 320.
Reciprocity, attempted with Canada, 177.
Reconcentration in Cuba, 71; in the Philippines, 88.
Reed, T. B., Speaker, 5, 7; on Southern Elections, 23; and the election of 1892, 34.
Referendum, the, 319.
Reform, movement for, 2–4; and conservatism, 95.
Religion, development of, 332.
Reparations, at Paris, 286.
Republican Party, new phase of, 5.
Rheims-Soissons drive, the, 256.
Rizal, 87.
Rockefeller, John D., and the Standard Oil Company, 14–17; and education, 331.
Rodman, Admiral, 273.
Roman Catholics, 332.
Roosevelt, Theodore, and reform, 3; and pensions, 22; early career, 66; assistant Secretary of the Navy, 66; preparations for war, 77; arrival at Santiago, 80; governor of New York, 89; nominated for vice-presidency, 89; becomes President, 94; relations with Hanna, 95; as reformer, 95; attitude toward "Big Business," 96; a man of culture, 96; as a politician, 97; and the South, 98; and Booker T. Washington, 98; and the Coal Strike of 1902, 99; his labor policy, 100; position in 1902, 101; disgusted at Colombia's Canal policy, 111; his part in the Panama revolution, 112–115; resists advice, 115; his idea of the Monroe Doctrine, 115; warns Germany away from Venezuela, 116; nominated and elected in 1904; strengthened by election, 123; his ideas of functions of government, 123; and the newspapers, 124; attitude toward Machine politics, 124; economic policies of, 125; policy towards trusts, 125; his railroad policy, 131–134; and Pure Food and Drugs Acts, 134; and labor, 135–138; his conservation policy, 138–144; and the forests, 139–141; and forest reserves, 140; and irrigation, 141; and swamp lands, 142; and inland waterways, 143; and water power, 143; calls Governors' Conference, 144; appoints Conservation Commission, 144; and the Far East, 145–148; and Treaty of Portsmouth, 147, 148; and Japanese Schools in California, 149; his Caribbean Policy, 151–157; and Santo Domingo, 155; and the Central American League, 156; last defiance of his enemies, 157–164; attacks on him, 158; and the Brownsville incident, 158; and the panic of 1907, 159; and sale of Tennessee Coal and Iron Company, 159; Cannon's challenge to, 160; reply to, 160; obtains nomination of Taft, 161; and the use of the Secret Service, 163; opposition by Senate, 163; goes to Africa, 164; return of, 175; supports New York Primary, 175; his "New Nationalism," 176; called on to lead the Progressives, 179; his "Charter of Democracy," 180; displaces La Follette, 180; successful in primaries, 180; and Convention of 1912, 180; nominated by Progressive Party, 181; shot in campaign, 183; defeated, 183; and arbitration, 186 his methods and Wilson's, 191; and reforms, 314; on the initiative, referendum, and recall, 319; and labor, 323, 324.

Root, Elihu, 96; creates General Staff, 230.
"Rule of Reason," in trust cases, 127; in Standard Oil and Tobacco cases, 130.
Russia and the Treaty of Portsmouth, 147; United States Troops in, 270.
Ryan, T. F., attacked by Bryan in 1912, 182.

"SAFE FOR DEMOCRACY," 276.
Sagasta and Cuban autonomy, 73.
Sage, Mrs. Russell, and education, 331.
Salisbury, Lord, on seal fisheries controversy, 30; in Venezuelan controversy, 54–56.
Salvador, 156.
Samoa and United States interests, 27.
Sampson, Rear-Admiral, looking for Cervera, 80; establishes his blockade, 80; at Battle of Santiago, 82.
San Juan Hill, battle on, 81.
Santiago, campaign at, 79–83; Cervera reaches, 79; army sent to, 80; battle at, 81; city occupied, 82; Naval battle near, 82.
Santo Domingo, finances readjusted, 155.
Schley, Commodore, looking for Cervera, 80.
Schomburgk Line, 53.
Schurman, J. G., Philippine Commissioner, 104.
Seal Fisheries, dispute over, 29.
Seamen's Act, 327.
Second Division, enters battle line, 258; in Foch's counter attack, 261.
Secret Service, used by Roosevelt, 163.
Seichprey, 254.
Senators, popular election of, 321.
Services of supply, 253.
"Seven Sisters," the, 201.
Shantung, at the Washington Conference, 295, 297.
Sherman Anti-Trust Law, 14–18.
Sherman, John, becomes Secretary of State, 65.
Sherman Silver Law, *See* Silver.
Shipping, efforts to improve in 1916, 229; disposing of government ships, 338.
Shipping Board, 240; Ships built by, 240.
Ships for transporting the Army, 250.
Silver, Sherman Act, 11–14; controversy over, 12; part in killing Federal Elections Bills, 23.
Silver, Windom on free, 6; Bland-Allison Act, 11; relation to gold, 11; demand of silver men, 12; Sherman Silver Law, 13; Free, influence on Cleveland's second administration, 40; repeal of Sherman Law, 41; advocates oppose Cleveland on gold, 41; and the "Endless Chain," 44; advocates resent bond sales, 45; denounce Cleveland, 47; difficult question of, 47; free and election of 1896, 57–62; organization of forces of, 58; Silver Party set up by Teller, 59, 61; free issue dropped by Bryan in 1900, 88; Parker's telegram on, 120.
Sims, Rear-Admiral, 271.
Sinclair, H. F., and the oil scandals, 303.
Smith, Al., in Democratic Convention of 1924, 306.
Socialist Party, 316–318.
Socialists in the United States, 317.
South, The, and Congressional representation, 22–26; gains of by the Civil War, 22; resented by Republicans, 22; Federal Elections Bill, 22; exercise of suffrage in, 23; State amendments on the suffrage, 23–26; effect on negro vote, 26; kind feeling toward McKinley, 91; and Roosevelt, 98; its influence in 1913, 193; suffrage in, 313.
Spain, misgovernment in Cuba, 71; repression in Cuban War, 71; offers autonomy to Cuba, 73; yields slowly to McKinley, 75; her futile surrender, 76; war declared against, 76; defeated at Manila, 77; defeat-

ed at Santiago, 81; loss of fleet, 82; War with, origin, 70–77; Manila campaign, 77–79; Santiago campaign, 79–83; treaty of peace, 83–86.
Speaker, the, power reduced, 174.
"Spooner Amendment," 105.
St. Mihiel, capture of, 263–265.
Standard Oil Company, origin of, 14–17; dissolved by courts, 129; and Taft, 185.
Stanford, Leland, and education, 331.
Strikes, coal and steel, 329.
Submarines, German use of, 219; Wilson tries to curb use of, 223–228; "Strict accountability," 223; operations of, 224; and the *Arabic*, 227; and the *Sussex*, 227; Germany's concession on use of, 227; unrestricted use of announced, 232; methods of destroying, 272; cross the Atlantic, 272.
Suffrage, in the South, 313; Women's, 321–323.
Supreme Court, rules on labor injunctions, 50.
Surplus Revenue, 8.
Sussex, submarine attack on the, 227.
Swamp Lands, 142.

TAFT, William H., 97; in the Philippines, 104; and forest conservation, 140; nominated in 1908, 161; elected, 162; his policies, 166; turns against Roosevelt group, 167; appoints Ballinger, 167; favors tariff reform, 168; Winona Speech, 169; stands by Ballinger, 170–173; on Ballinger's opponents, 172; tries to conciliate Insurgents, 174; receives Roosevelt returning from Africa, 175; vetoes Democratic Tariff Bills, 178; and Republican party in 1912, 178; opposed by Progressives, 179; attacked by Roosevelt, 180; nominated in 1912, 180; defeated, 183; end of his administration, 184–187; his achievements as President, 184; checks trusts, 185; and conservation, 185; and recall of judges, 185; his Caribbean policy, 186; and the admission of Arizona, 320.
Tampico, arrest of United States officers at, 207.
Tanner, James, as Pension Commissioner, 20.
Tariff, the McKinley, 8; and passage of the Silver Act of 1890, 13; an issue in 1892, 35; the Wilson-Gorman, 42–44; effect of the McKinley Act on revenue, 42; failure of income tax, 43; tariff of 1897, 67; comparison of acts of 1890, 1894 and 1897, 68; tariff of 1909, 168; efforts to modify in 1911, 177; and Canadian reciprocity, 177; Democratic bills, of 1911, 178; the Underwood tariff, 194–197; a "competitive tariff," 195; attack on tariff lobby, 197; of 1922, 337.
Teller, Senator, sets up Silver Party, 59.
"Teller Resolution," 76, 84.
"Temple of Peace," the, at Cartago, 157.
Ten Years' War, 70.
Tennessee Coal and Iron Company, sale of, 159; Senate calls for papers on, 163.
Townley, James, 169.
Third Division, enters battle line, 259.
Thirtieth Division, captures tunnel sector, 269.
Thurston, minister to Hawaii, 52.
Trans-Missouri Case, 126.
Transportation Act of 1920, 335–337.
Treaty of Portsmouth, 147; arouses Japanese distrust, 148.
Treaty with Spain, 83–86.
Treaty of Versailles, signed, 288; laid before the Senate, 291; rejected by the Senate, 292; with Germany in 1921, 294.
"True-to-Label Bill," 135.
"Truth in Fabric," Bill, 342.
Trusts, Sherman Anti-Trust Law, 14–18; origin of, 14; the Standard Oil Company, 14–17; the trust idea, 16; Roosevelt's idea of, 124; his treatment of, 125–131; act of 1890

not enforced, 126; Knight Case, 126; Trans-Misouri Case, 126; the "steel trust," 127; influence of "Watered stock," 127; and panic of 1901, 128; Northern Securities Case, 123, 128; the "Paper trust," 129; the "Beef trust," 129; Standard Oil Company dissolved, 129; American Tobacco Company dissolved, 129; the "rule of reason," applied, 130; and sale of the Tennessee Coal and Iron Company, 159; Taft's achievements against, 185; laws to restrain under Wilson, 200–203; Wilson's policy in New Jersey, 201; the Clayton Act, 201.
Tunnel Sector, capture of, 269.
Twenty-seventh Division, 269.
Twenty-sixth Division, in Foch's Counter Attack, 261.

UNDERWOOD, Oscar, and the tariff of 1913, 194–197.
United States Sector, 252–254; taken over by Pershing, 262; extent on August 30, 1918, 263.
United States Steel Corporation, 127; suit to dissolve, 130.
Universities, growth, of, 331.

VENEZUELA, and boundary controversy, 51, 53–57; the Schomburgk line, 53; gold discovered, 53; arbitration refused by Great Britain, 54; controversy adjusted, 56; foreign debts and arbitration, 116; settlement of foreign debts, 117, 118.
Vera Cruz, occupied, 207; given up, 209.
Verdun, United States troops fighting near, 264.
Versailles, Peace Conference at, 280–289; treaty of, signed, 288; treaty rejected by Senate, 292.
Veterans Bureau, the, 339.
Vigneulles, 263.
Villa, in Mexican revolt, 208; raids in New Mexico, 208; pursuit of, 209; later course, 210.
Vreeland Act, 161.

WANAMAKER, John, 6.
War Cabinet, opposed, 241; created by Wilson, 242.
War Department, investigated, 243.
War Industries Board, 241, 242.
War Trade Board, 239.
"War Zone," established by Germany, 221.
Washington, B. T., dinner at the White House, 98; influence of the incident, 101.
Washington Conference, 295–298.
"Watchful Waiting" for Mexico, 206.
Water power, development of, 143.
Wheeler, General Joseph, at Santiago, 81.
Wheeler, Senator, 305.
White, Edward D., opinion on trusts, 126; in Standard Oil and Tobacco Cases, 130.
White, Henry, 281.
Wickersham, Attorney-General, 133.
Wilson, H. L., on tariff, 42.
Wilson, Woodrow, his Philippine policy, 106; and Japanese land-holders in California, 150; nominated in 1912, 182; his domestic policy, 189–194; and party bosses, 189; as Governor of New Jersey, 189; as a Liberal, 190; early reform measures, 190; carries on Roosevelt's reforms, 191; his political methods and Roosevelt's, 191; his "New Freedom," 191; his cabinet, 192; his firm leadership, 193; and the Underwood Tariff, 194; his attack on tariff lobby, 197; and the Federal Reserve Bank, 198–200; and laws to restrain trusts, 200–203; his trust policy in New Jersey, 201; and the Federal Trade Commission, 201; and the Clayton Act, 202; and Railroad Securities, 203; his reforms interrupted by war, 203; dealings with Mexico, 203–210; purpose in Mexican situation, 205; criticised at home, 206; "Watchful Wait-

ing," 206; and Tampico incident, 207; orders landing at Vera Cruz, 207; and Carranza, 208; Mexican policy discussed, 210; proclaims neutrality, 212; protests conduct of Dumba, 214; did he wait too long to enter the war? 215; not our war, 216; "safe for democracy," 276; on cruiser warfare, 222; on British blockade, 222; efforts to curb the submarine, 223–228; on submarine warfare, 224; his three *Lusitania* notes, 225; on sinking of the *Arabic*, 227; on sinking of the *Sussex*, 227; gets concessions from Germany, 227; takes steps for national defense, 228–231; renominated, 230; and campaign issues, 230; "he kept us out of war," 231; re-elected, 231; war appeal before Congress, 233; in preparing for war, 235; creates "War Cabinet," 241; attempt to control his conducting of the war, 242; and Hughes aircraft investigation, 245; defends War Department, 246; and the Overman Act, 247; his peace offensive against Germany, 276, 277; the "Fourteen Points," 277; his part in the peace, 280; decides to go to Paris, 281; high position in Europe, 281; his efforts in Paris, 282; one of the "Big Four," 282; without support at home, 283; why he held on, 284; brief visit to Washington, 284; saves the League, 284; and mandatories, 286; and Saar Valley, 286; and the Rhine Valley, 286; and reparations, 286; Wilson and Fiume, 287; and Japan and China, 288; limit of his compromises, 288; his trust in public opinion, 289; his health breaks, 289; defeat of his party, 290; his physical collapse, 291; belief in popular approval, 292; and labor, 324; and the Adamson Law, 328.
Windom, William, Secretary of War, 6.
Women, Education for, 331.
Women's Suffrage, 321–323.
Wood, General, in the Philippines, 107.
Woodford, minister to Spain, 75.
World Court, the, favored by Harding, 301.
World War, neutrality toward, 212–219.

YAP, Island of, 298.
Yellowstone National Park, created, 140.
Ypres, drive near, 1918, 256.

THE UNITED STATES
March 4, 1897

THE UNITED STATES ON THE RIM OF THE CARIBBEAN
Territory of U.S. — Buff
Protectorates of U.S. — Yellow
PANAMA CANAL AND ZONE
SCALE OF MILES
0 5 10 15
CARIBBEAN SEA
Colon
Gatun
Gatun Lake
Panama Canal
Panama
BAY OF PANAMA
Tampa
Palm Beach
Miami
Key West
BAHAMA ISLANDS
GULF OF MEXICO
TROPIC OF CANCER
SCHLEY
SAMPSON
Havana
CUBA
Isle of Pines
Santiago
Guantanamo
HAITI
DOMINICAN REPUBLIC
Port au Prince
Santo Domingo
PORTO RICO
VIRGIN ISLANDS
JAMAICA
Kingston
BRITISH HONDURAS
GUATEMALA
HONDURAS
SALVADOR
Fonseca Bay
NICARAGUA
GREAT AND LITTLE CORN ISLANDS
U.S.
COSTA RICA
PANAMA CANAL
Panama
CARIBBEAN SEA
VENEZUELA
COLOMBIA
BRITISH GUIANA
BRAZIL
PACIFIC OCEAN
ATLANTIC OCEAN
Longitude 25 20 15 10 West from Washington
Longitude 5 0 5 10 from Washington

UNITED STATES IN THE WORLD WAR
SCALE OF MILES
0 20 40 60 80 100
German strategic supply lines
American main supply lines
Battle line July 18, 1918
Battle line Nov. 11, 1918
4° 2 0 2 4 6 8
52 50 48
Zuider Zee
Amsterdam
NORTH HOLLAND
The Hague
SEA
London
Dover
Nieuport
Ostend
Antwerp
Ghent
Cologne
Dunkirk
Calais
Ypres
Brussels
Aix-la-Chapelle
Euskirchen
Boulogne
Lille
Namur
Liege
Koblenz
Plymouth
Southampton
Portsmouth
Vimy
Arras
Mons
Abbeville
Cambrai
Valenciennes
Albert
Mainz
Dieppe
Amiens
Hirson
St. Quentin
Sedan
Treves
Cherbourg
Havre (Le Havre)
Cantigny
Montdidier
Mezieres
Luxemburg
Thionville
Compiegne
Soissons
Saarbrucken
Belleau Woods
Rheims
Verdun
LORRAINE
Metz
Chateau Thierry
St. Mihiel
Versailles
Paris
St. Dizier
Toul
Nancy
Strassburg
Brest
Rennes
Le Mans
Troyes
Neufchateau
Chaumont
Orleans
Auxerre
Chantillon
Angers
Dijon
St. Nazaire
Nantes
Saumur
Tours
Bourges
Nevers
Beaune
Luzern
Bern
SWITZERLAND
To La Rochelle-Rochefort
To Bordeaux
To Marseilles Toulon
4° Longitude West from Greenwich 0 Longitude East from Greenwich 6

UNITED STATES AND ADHERENT TERRITORY 1926

- Continental United States
- Territories
- Dependencies
- Virtual Protectorates
- Submarine Cables

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